

City of Piedmont
COUNCIL AGENDA REPORT

DATE: September 15, 2025

TO: Mayor and City Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Consideration of an Updated Fee Schedule and Cost Recovery Policy for the Piedmont Planning & Building Department

RECOMMENDATION

Accept the Report on Development Cost of Services or “User Fee Study” prepared by Matrix Consulting Group; adopt a City of Piedmont Planning & Building Department Cost Recovery Policy (Attachment 2, pages 13-15) and authorize the implementation of a Fee Schedule with an effective date of January 1, 2026 (Attachment 1, pages 7-11).

Consider an incentive for the installation of residential rooftop solar energy systems, either a reduction in Solar Residential and SolarAPP+ Permit fees, amending the attached Fee Schedule (Attachment 1) accordingly, or the inclusion of residential rooftop solar energy systems in the City’s Home Electrification Rebate Program.

EXECUTIVE SUMMARY

With the adoption of the FY25/26 Budget, a User Fee Study was prepared (Attachment 3, pages 17-53). The results of the User Fee Study support staff’s recommendation of a Planning & Building Department Cost Recovery Policy and a Planning & Building Department Fee schedule, both of which seek full cost recovery for the services provided.

For Council’s consideration, staff has also provided information on possible incentives to further the City’s greenhouse gas emissions reduction goals.

DISCUSSION

To prepare the User Fee Study, Matrix interviewed department staff to verify that the schedule included fees for all current application types and to remove any obsolete fees. City staff reviewed each permit category and provided estimates for average time expended on each permit type over the past three years.

Matrix analyzed this information and data on revenue, expenses and staffing levels for FY25/26 into its analytical software model. The result is a comparison between FY23/24 fee revenue to the full cost of administering Planning & Building applications and permits. The table below shows

the revenue collected, the total annual cost, the cost recovery percentage and a total of about \$427,000 the department is under-recovering annually.

Annual Cost Recovery Analysis				
Service Area	Annual Revenue	Annual Cost	Annual Difference	Cost Recovery
Building	\$972,852	\$1,364,964	(\$392,112)	71%
Planning	\$197,842	\$232,292	(\$34,450)	85%
Total	\$1,170,694	\$1,597,256	(\$426,562)	73%

This comparison of revenue and costs helps to inform: 1) an updated fee schedule that right-sizes fees to ensure that they do not exceed the full cost of providing that service, and proportionally allocated to each fee payer; and 2) a cost recovery policy.

Updated Planning & Building Department Fee Schedule

Staff recommends Council adoption of the revised Planning & Building Department Fee Schedule, which sets fees at an amount to recover the full cost of the services provided as allowed under California Government Code and Proposition 26. Discussed below are a few noted components of the revised Fee Schedule outlined in the Report on a User Fee Study.

Building Division Fees: Determining building permit fees based on project valuation aligns fees with the complexity of construction activity. Valuation generally reflects the scale of work, types of materials, and level of technical review required from the City for a construction project. The more complex the construction activity is, the more staff time is necessary for reviewing the project. Two new construction cost valuation levels were added to Permit & Inspection Fees and Plan Check Fees to reflect increases in the cost of construction and to ensure the fees are fair and accurate.

Additionally, stand-alone (over the counter) permits (e.g., roof, water heater, HVAC, EV charger) are recommended to be charged a flat fee that more accurately reflects the cost of service instead of a fee based on the construction cost. The revised Fee Schedule would bring cost recovery for Building Division application/permit services from the current 71 percent to approximately 100 percent.

General Plan Maintenance Fee: This fee is charged during the building permit phase and is meant to account for the costs associated with updates to the General Plan, Housing Element, Zoning Ordinance and other long-range planning activities that are derived from the General Plan. The current General Plan Maintenance Fee is 1.5% of the construction cost valuation, which aligns with the full cost of General Plan maintenance activities. In the updated Fee Schedule, the General Plan Maintenance Fee will not be applied to the stand alone (over the counter) permits or to Planning Division permits.

The User Fee Study Report provides a comparative study with five other local jurisdictions, but the comparisons are not particularly useful in determining if Piedmont's General Maintenance Fee is accurate or fair. The cost-recovery basis by which the other jurisdictions determined their fees is unknown. When compared to Piedmont, other cities' built environment differs with large

percentages of these communities characterized by commercial and/or industrial development. Regardless of a city's size, the cost to prepare similar land use policies is relatively similar city-to-city. Thus, the per-capita cost of General Plan maintenance is greater in small cities. For example, the cost recovery for a \$500,000 General Plan update would be spread over a greater number of building permits in a city with 100,000 properties when compared to a city with 4,000 properties.

Planning Division Fees: The list of permit/application types were updated to streamline the cost valuation for design review permits, and to reflect recent changes stemming from Federal wireless communications rules, State legislation, and 6th Cycle Housing Element programs. The revised Fee Schedule would bring cost recovery for Planning Division application/permit services from the current 85 percent to approximately 100 percent.

Staff recommends Council adoption of the revised Planning & Building Department Fee Schedule (Attachment 1, pages 7-11), with an effective date of January 1, 2025. (See Fee Schedule Effective Date & Messaging section below.)

Planning & Building Department Cost Recovery Policy

Currently, there is no formally adopted Cost Recovery Policy that guides the Planning & Building Department's User Fee Schedule. For at least the past 10 years, the City Council has made it the practice to increase departmental fees at a rate equal to Consumer Price Index (CPI) for the San Francisco-Oakland-Hayward Area. Matrix and City staff recommend the City Council adopt a Cost Recovery Policy for the Planning & Building Department.

Matrix notes that the adoption of a Cost Recovery Policy is an essential step for public agencies and departments to ensure that services are delivered efficiently, equitably, and sustainably. A well-defined policy creates transparency for staff, stakeholders, and the public while also supporting consistent decision-making around how fees are set, adjusted, and justified. It helps align organizational goals with financial practices, reduces reliance on subsidies, and ensures that cost recovery efforts are grounded in sound principles.

City staff recommends the City Council adopt the attached Planning & Building Department Cost Recovery Policy (Attachment 2, pages 13-15), the goal of which is 100 percent cost recovery with defined limitations on exceptions or subsidies from the General Fund.

Subsidized and Reduced Fees

In certain instances, the City Council may find justification for the expenditure of General Fund money to subsidize and reduce fees for permit types that further the interests of the larger community and produce defined community benefits. For example, the City Council may find that reduced permit fees for projects that reduce greenhouse gas emissions would incentivize such projects and help achieve the City's climate action goals.

As noted above in the Building Division Fees subsection, stand-alone (over the counter) permits (e.g., roof, water heater, HVAC, EV charger) are presented in the Fee Schedule to be charged a

flat fee that more accurately reflects the cost of service instead of a fee based on the construction cost. The stand-alone permit types covered by the flat fee structure include projects that further the City's sustainability goals, such as permits for heat pump water heater, heat pump HVAC and electric vehicle charger. This means that the permit applications are charged a flat fee instead of a fee based on the cost of construction associated with relatively expensive equipment. This proposed revision reduces the fees for these sustainable improvements. In addition, beginning with the FY23/24 Budget, the City Council has allocated \$50,000 annually to an electrification rebate program that incentivizes the replacement of natural gas appliances with electric appliances (i.e., \$800 for a heat pump water heater, \$1,500 for a central air source heat pump, \$750 for mini-split heat pumps, and \$500 for service panel upgrades supporting heat pump installations). Given this current incentive using an allocation from the General Fund, staff does not believe further incentives for these stand-alone (over the counter) permits would be cost effective.

Also related to the City's greenhouse gas emissions reduction goals are projects to install solar energy systems. The fees for Solar Residential and SolarAPP+ (State mandated instantaneous solar permitting software) Permits are separate from the stand alone (over the counter) trade permits, but the proposed solar permit fees are also flat, 100% cost recovery. The Solar Residential and SolarAPP+ permit fees are relatively modest from the outset (see table below).

The City Council might consider providing an incentive to generate additional adoption of solar energy systems to further the City's Climate Action goals. The monetary value of such an incentive would need to be of sufficient value to induce solar installations. Should the City Council opt to reduce Solar Residential and SolarAPP+ fees by 50 percent, the resulting fee reductions of \$279 and \$171, respectively, may be on the low side of providing the necessary inducement. In California, the average cost for a residential solar system is approximately \$2.70 to \$3.30 per watt, meaning a typical 5kW system costs about \$13,500 to \$16,500 before incentives. For the 2023 and 2024 calendar years the average number of Solar Residential Permits was 104 annually, and the average number of SolarAPP+ Permits is 4 annually. Therefore, the Council might expect a 50 percent solar permit incentive to cost the General Fund approximately \$29,700 annually, or up to \$15,000 for the second half of FY25/26.

Permit Type	100% cost recovery	50% cost recovery	General Fund Subsidy
Solar Residential Permit	\$559	\$280	\$279
SolarAPP+ Permit	\$343	\$172	\$171

An alternative to fee reductions to incentivize projects to install residential rooftop solar energy systems is a rebate. Rather than a reduction to an already modest solar permit fee, the City Council might consider modifying and increasing the budget allocation for the current [Home Electrification Rebate Program](#) for it to include rebates for Solar Residential and SolarAPP+ Permits. For example, a \$1,000 rebate for the installation of a residential rooftop solar system might be expected to cost \$100,000 annually if the City continues to process approximately 100 permits annually, or the City could cap the annual solar rebates to \$50,000 or another amount. Should Council wish to pursue a rebate, rather than a permit fee reduction, to incentivize residential solar energy systems, staff will prepare a report and recommendation for the Council to consider before the end of the calendar year.

FEE SCHEDULE EFFECTIVE DATE & MESSAGING

Per State law, a 60-day public notice must be provided before a jurisdiction can implement new or adjusted fees. At a minimum, the revised Fee Schedule could be in effect 60 days after Council’s adoption. However, staff recommends Council adopt the Fee Schedule with an effective date of January 1, 2026, so that there is ample time to inform the community, its design professionals and contractors. Staff will distribute public education materials at the permit counter, in correspondence with permit applicants, and through broad-based outreach channels including local media and digital communication channels such as the City website and e-newsletters.

FISCAL IMPACT

Staff’s recommendation for the adoption of the attached Planning & Building Department Fee Schedule and Planning & Building Department Cost Recovery Policy would set and achieve to the extent practicable full cost recovery. In addition, the City Council may opt to revise the Fee Schedule reducing the fees for residential solar permits and solarapp+ permits, which would help incentivize projects that help the City achieve its climate action goals at a cost to the General Fund of approximately \$15,000 during the second half of FY25/26.

Prepared by: Kevin Jackson, Director of Planning & Building

ATTACHMENTS

	Pages	
1	7 - 11	Draft Planning & Building Department Fee Schedule FY2025-2026
2	13 - 15	Draft Planning & Building Department Cost Recovery Policy
3	17 - 53	Report on Development Cost of Services (User Fee) Study
4	55 - 57	Time Estimates and Hourly Rate Data

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Fee Name	Unit	Proposed Fee
BUILDING DIVISION FEES		
Building Permit & Inspection Fees (Based On Valuation)		
\$1 to \$500	Base	\$149
\$501 to \$2,000	Base	\$149
\$501 to \$2,000	Each Additional \$100	\$10.31
\$2,001 to \$25,000	Base	\$303
\$2,001 to \$25,000	Each Additional \$1000	\$22.14
\$25,001 to \$50,000	Base	\$812
\$25,001 to \$50,000	Each Additional \$1000	\$33.11
\$50,001 to \$100,000	Base	\$1,640
\$50,001 to \$100,000	Each Additional \$1000	\$22.96
\$100,001 to \$500,000	Base	\$2,788
\$100,001 to \$500,000	Each Additional \$1000	\$9.79
\$500,001 to \$1,000,000	Base	\$6,705
\$500,001 to \$1,000,000	Each Additional \$1000	\$16.92
\$1,000,000 to \$10,000,000	Base	\$15,165
\$1,000,000 to \$10,000,000	Each Additional \$1000	\$5.31
\$10,000,000 to \$25,000,000	Base	\$62,968
\$10,000,000 to \$25,000,000	Each Additional \$1000	\$4.12
Over \$25,000,000	Base	\$124,818
Over \$25,000,000	Each Additional \$1000	\$2.06
Plan Check Fee (Based On Valuation)		
\$1 to \$500	Base	\$74
\$501 to \$2,000	Base	\$74
\$501 to \$2,000	Each Additional \$100	\$9.22
\$2,001 to \$25,000	Base	\$212
\$2,001 to \$25,000	Each Additional \$1000	\$4.93
\$25,001 to \$50,000	Base	\$367
\$25,001 to \$50,000	Each Additional \$1000	\$15.29
\$50,001 to \$100,000	Base	\$750
\$50,001 to \$100,000	Each Additional \$1000	\$7.27
\$100,001 to \$500,000	Base	\$1,113
\$100,001 to \$500,000	Each Additional \$1000	\$1.12
\$500,001 to \$1,000,000	Base	\$1,560
\$500,001 to \$1,000,000	Each Additional \$1000	\$1.79
\$1,000,000 to \$10,000,000	Base	\$2,453
\$1,000,000 to \$10,000,000	Each Additional \$1000	\$0.13
\$10,000,000 to \$25,000,000	Base	\$3,642
\$10,000,000 to \$25,000,000	Each Additional \$1000	\$0.11
Over \$25,000,000	Base	\$5,344
Over \$25,000,000	Each Additional \$1000	\$0.06

Fee Name	Unit	Proposed Fee
Permit Renewal		
<u>Length of Permit Expiration:</u>		
Less than 180 days	Flat	\$0
181 to 365 days	% of Original Permit & Inspection Fee	50%
More than 365 days	% of Original Permit & Inspection Fee	100%
General Plan Maintenance Fee	% of Valuation	1.50%
Records Management Fee		
For Permits and Inspections	% of Permit and Inspection Fee	6%
For Permit Renewals	% of Permit Renewal Fee	6%
Strong Motion Instrumentation & Seismic Hazard Mapping Program (SMIP) Determined by State		
<u>Valuation:</u>		
\$1 to \$3,850	Base	\$0.50
<u>Over \$3,850</u>		
Base	Base	\$0.50
For Additional Valuation over \$3,850	Additional	[Job Value - \$3,850] / \$1*\$0.0001
Calif SB 1473 Fee (Determined by State Effective		
<u>Valuation:</u>		
\$1 to \$25,000	Base	\$1
\$25,001 to \$50,000	Base	\$2
\$50,001 to \$75,000	Base	\$3
\$75,001 to \$100,000	Base	\$4
<u>Over \$100,000</u>		
Base	Base	\$4
For Additional Valuation Over \$100,000	Additional	[Job Value - \$100,001] / \$25,000*\$1.00
Other Fees & Permits		
Change in Approved Building Permit (CAP)	Flat	\$522
<u>Solar Energy Related Permits</u>		
Residential	Flat	\$559
Commercial	Flat	\$1,085
SolarAPP+	Flat	\$343
Change of Address Fee	Flat	\$273
Drop Box	Flat	\$182
Garage Sale Permit	Per Sale	\$91
<u>Hourly Rates:</u>		
Building Official	Per Hour	\$213
Planning & Building Director	Per Hour	\$257

Fee Name	Unit	Proposed Fee
Plans Examiner	Per Hour	\$186
Senior Planner	Per Hour	\$187
Associate Planner	Per Hour	\$172
Housing Records Search	Flat	\$182
Permit to Legalize Unpermitted ADU or JADU	Each	\$1,629
New Sewer Connection	Flat	\$297
Penalty Fee - Starting Construction without Permit	% of Permit / Inspection Fee	150%
Planning Commission Mailing List	Flat	\$0
Residential Rental Safety Inspection	Per Inspection	\$400
Title 24 Plan Check		
Prescriptive Compliance	Flat	\$113
No increase in conditioned floor area	Flat	\$113
Addition area only	Flat	\$170
Addition plus existing area combined	Flat	\$340
New home or structure	Flat	\$567
Stand Alone / Over the Counter Permits		
Re-Roof	Flat	\$436
Stand Alone Trade (i.e., Water Heater, plumbing, mechanical, electrical, EV, etc.)	Each	\$436
PLANNING DIVISION FEES		
Design Review Permit – Expedited Review		
General Applications	Per Review	\$482
Windows & Doors	Per Review	\$482
Changes to Previously Approved Permits	Per Review	\$552
Design Review Permit - Director Review		
Construction Up to \$50,000	Per Review	\$694
Construction 50,001 - \$200,000	Per Review	\$906
Design Review Permit - Planning Commission Review		
Construction \$200,001 or more	Per Review	\$1,974
New House	Per Review	\$2,479
Sequential DRP-DRs referred to PC	Surcharge	\$1,124
Variance		
One Variance with Design Review	Per Variance	\$327
One Variance without Design Review	Per Variance	\$1,832
Each Additional Variance	Per Variance	\$192
Conditional Use Permit		
Conditional Use Permit	Per Permit	\$4,515
Emergency Shelters	Per Permit	\$951
Other Review		
Additional Bedroom Permit	Per Permit	\$482
Administrative Extension	Per Extension	\$69
Appeal	Per Appeal	\$5,866
Accessory Dwelling Unit Permit (with or without Exception)	Per Permit	\$906
AB 1332 Pre-Approved ADU Plans	Per Permit	\$1,982

Fee Name	Unit	Proposed Fee
Modification to Approved ADU Permit	Per Change	\$552
Fence, Retaining Wall or Site Feature Design Review Permit	Per Permit	\$1,562
SB 684 Housing Subdivision	Deposit	\$20,000
SB9 Housing Development	Per Permit	\$9,790
Modification to Approved SB 9 Permit	Per Permit	\$7,505
Sign Design Review Permit	Per Permit	\$1,505
Short-Term Rental Permit	Per Permit	\$340
AB 939 Information Report	Per Report	\$212
Jurisdictional Determination	Per application	\$5,292
Zoning Code Amendment	Per Amendment	\$10,334
Subdivision/Map Act		
Parcel Merger deposit/cost to process	Deposit	\$2,000
Lot Line Adjustment	Deposit	\$2,000
Parcel Map	Deposit	\$4,000
Tentative Map	Deposit	\$4,000

Fee Name	Unit	Proposed Fee
SB 684 Subdivision	Per Parcel	\$9,228
SB 9 Urban Lot Split	Per Permit	\$6,527
California Environmental Quality Act (CEQA)		
Initial Study/Negative Declaration	Deposit	\$55,000
Environmental Impact Report (EIR)	Deposit	\$110,000
CA Dept. of Fish & Wildlife Fee	Per Permit	\$142
Filming Permit		
Still Photography	Per Permit	\$283
Commercial Video	Per Permit	\$283
Motion Picture Video	Per Permit	\$283
Wireless Communication Facility (WCF) Permit		
WCF Permit for small cell facilities located in the City right-of-way	Per Site	\$9,682
WCF Permit for all facilities other than small cell in City right-of-way	Deposit	\$7,000
WCF Independent Technical Review for all facilities other than small cell in City right-of-way	Deposit	\$1,000
WCF Macro Facilities in non ROW, Review by Planning Commission	Deposit	\$10,000
WCF Facilities in ROW/non ROW Review by Director	Deposit	\$6,000
WCF Facilities in non ROW	Deposit	\$8,000
Other Fees		
Reasonable Accommodation	Each	\$0
Zoning Compliance Letter	Per Letter	\$283
<u>Development Agreement</u>		
Processing Fee	Deposit	\$6,700
Administrative Fee	% of Deposit	30%
Applications and Reviews not listed above	Deposit	\$3,700

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CITY OF PIEDMONT Policy & Procedure

Policy No. 34
Section: City Council

SUBJECT: Planning & Building Department Cost Recovery

INTRODUCTION AND PURPOSE

The purpose of this Cost Recovery Policy is to establish a clear and consistent framework for how the Planning & Building Department of the City of Piedmont assesses, updates, and administers user fees for development-related services. This policy aligns with the Government Finance Officers Association (GFOA) best practices for establishing government charges and fees, which recommend that charges reflect the cost of service, are regularly reviewed, and are applied equitably and transparently. As demand for development services fluctuates and the cost-of-service delivery evolves, this policy ensures that the City of Piedmont remains fiscally responsible while providing high-quality and timely services to applicants, residents, and the broader community.

BACKGROUND AND CONTEXT

The Planning & Building Department oversees a wide range of development services, including but not limited to:

- Permit application review
- Plan checking and inspections
- Entitlement processing
- Zoning and land use determinations
- Public counter and consultation services

Historically, these services have been funded through a combination of user fees and General Fund support. However, as the complexity and volume of development activity increase, the need for a structured cost recovery approach has become more critical. This policy outlines the current philosophy and direction of the Planning & Building Department regarding fee-based funding, including known subsidies and revenue offsets where applicable.

POLICY OBJECTIVES

This policy provides the framework to:

- Ensure that fees are based on the full cost of providing services, including direct and indirect costs.
- Promote fairness, transparency, and equity in the fee-setting process.
- Reduce undue reliance on General Fund subsidies with the understanding that any subsidies of Planning & Building Department user fees from the General Fund would come at the expense of the budgets of other City departments (e.g., Police Department, Fire Department, Public Works Department).
- Support predictable and consistent decision-making in fee adjustments.
- Align fee levels with service levels and customer expectations.

POLICY COMPONENTS

A. TARGET RECOVERY LEVELS

- The Department will seek to recover up to 100 percent of the full cost of discretionary development services, such as project entitlement and design review.
- Subsidies or reduced fees for certain applicants (e.g., affordable housing developers, nonprofits) must be authorized by policy or Council action (e.g., the adoption of a Planning & Building Department Fee Schedule).

B. FEE STUDY AND UPDATES

- A comprehensive user fee study will be conducted at least once every five (5) years, or as directed by the City Council.
- Fees may be adjusted annually based on the Bay Area Consumer Price Index (CPI) to account for inflationary impacts.
- Interim adjustments may be made when there are material changes in service delivery costs.

C. USE OF TIME TRACKING AND COST DATA

- The Department will consider maintaining time tracking and workload systems to support accurate cost-of-service calculations.
- Indirect costs shall be allocated based on approved cost allocation methodologies, consistent with the City's overall financial policies.

V. DEFINITIONS

The following definitions apply to this policy:

- **Direct Costs:** Labor, materials, and other expenditures directly related to delivering a specific service (e.g., staff review time, permit processing).
- **Indirect Costs:** Overhead costs, including administration, IT support, facility costs, and general departmental expenses.
- **Full Cost Recovery:** The total cost of providing a service, including both direct and indirect components.
- **Ministerial Services:** Services that require no exercise of discretion (e.g., issuance of a building permit).
- **Discretionary Services:** Services that involve staff judgment or interpretation, typically related to planning entitlements or variances.

VI. PROCEDURES

A. COST RECOVERY ANALYSIS

- Recovery levels for each service category will be analyzed using time-based or unit-cost data.
- Reports comparing current fee revenues to costs will be prepared as part of the fee study process and presented to the City Council.

B. PUBLIC ENGAGEMENT AND TRANSPARENCY

- Proposed fee changes will be publicly noticed and presented at public meetings before adoption.
- Fee schedules, cost recovery targets, and subsidy policies will be published and made accessible to applicants and the public.

C. MONITORING AND EVALUATION

- Staff shall annually review fee revenue and service cost data to monitor performance against recovery targets.
- Any significant deviations from recovery targets will be documented and reported to the City Council, along with recommended actions.

VII. EXCEPTIONS AND SUBSIDIES

Exceptions to full cost recovery may be permitted in cases where:

- There is a documented public benefit (e.g., affordable housing, furtherance of climate action goals, community-serving uses).
- The subsidy is explicitly approved through budget action or by the City Council.
- The service is required to remain accessible to all residents regardless of their ability to pay.

All exceptions should be evaluated for their fiscal impact and reviewed during each fee study.

VIII. IMPLEMENTATION AND AUTHORITY

This policy shall be implemented by the Director of Planning & Building in coordination with the Finance Department. Amendments to this policy require approval by the City Council.

Initiated by: Planning & Building Director

Approved by: City Council

Date: September 15, 2025 (Resolution xx-2025)

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Report on Development Cost of Services (User Fee) Study

CITY OF PIEDMONT, CALIFORNIA

FINAL REPORT

July 2025



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1. Introduction and Executive Summary

This report presents the results of the Development-Related Cost of Services (User Fee) Study conducted by Matrix Consulting Group for the City of Piedmont, California.

Project Background and Overview

Matrix Consulting Group analyzed the cost-of-service relationships that exist between fees for service activities in the Planning and Building Department. Piedmont has not recently conducted a comprehensive study. It is considered best practice to perform these analyses every 3 to 5 years; therefore, the City contracted with Matrix Consulting Group to conduct a review of Planning and Building-related fees. The results of this study provide a tool for understanding current service levels, the cost and demand for those services, and the appropriate fees for those services.

General Project Approach and Methodology

The methodology employed by Matrix Consulting Group is a widely accepted “bottom-up” approach to cost analysis, where time spent per unit of fee activity is determined for each position within a department or program. Once the time spent on a fee activity is defined, all applicable City costs are then considered in the calculation of the “full” cost of providing each service. The following table provides an overview of the types of costs applied in establishing the “full” cost of services provided by the City:

Table 1: Overview of Cost Components

Cost Component	Description
Direct	Fiscal Year 2026 Budgeted salaries, benefits, and allowable expenditures.
Indirect	Division, departmental, and Citywide administration / management and clerical support.

Together, the cost components in the table above comprise the calculation of the total “full” cost of providing any service, regardless of whether a fee for that service is charged.

The work accomplished by Matrix Consulting Group in the analysis of the proposed fees for service involved the following steps:

- **Departmental Staff Interviews:** The project team interviewed Departmental staff regarding their needs for clarification on the structure of existing fee items or for the addition of new fee items.

- **Data Collection:** Data was collected for each permit/service, including time estimates. In addition, revenue, expenses, and staffing levels for Fiscal Year 2026 were entered into Matrix Consulting Group’s analytical software model.
- **Cost Analysis:** The full cost of providing each service included in the analysis was established.
- **Review and Approval of Results with City Staff:** Department management has reviewed and approved these documented results.

A more detailed description of user fee methodology, as well as legal and policy considerations, is provided in subsequent chapters of this report.

Summary of Results

When comparing Fiscal Year 2024 current fee revenue to the calculated full cost of administering Planning and Building applications and permits, the department is under-recovering its costs by about \$427,000. The following table shows the revenue collected, the total annual cost, the resulting annual difference, and the cost recovery by service area or discipline.

Table 2: Annual Cost Recovery Analysis

Service Area	Annual Revenue	Annual Cost	Annual Difference	Cost Recovery %
Building	\$972,852	\$1,364,964	(\$392,112)	71%
Planning	\$197,842	\$232,292	(\$34,450)	85%
TOTAL	\$1,170,694	\$1,597,256	(\$426,562)	73%

Due to the interdependence between each service area, it is essential to evaluate Planning and Building cost recovery holistically. Overall, the Department shows a cost recovery level of 73%. Building Fees are the most significant contributor to this deficit, at \$392,000.

The detailed documentation of the study will show an over-collection for some fees (on a per-unit basis) and an undercharge for most others. The results of this analysis will provide the Department and the City with guidance on how to right-size their fees to ensure that each service unit is set at an amount that does not exceed the full cost of providing that service.

The display of cost recovery figures shown in this report is meant to provide a basis for policy development discussions among Councilmembers and City staff. It does not represent a recommendation for where or how the Council should act. The setting of the “rate” or “price” for services, whether at 100 percent full cost recovery or lower, is a policy decision to be made by the Council, with input from City staff and the community.

Considerations for Cost Recovery Policy and Updates

Matrix Consulting Group recommends that the City use the information contained in this report to discuss, adopt, and implement a formal Cost Recovery Policy, including a mechanism for the annual update of fees for service.

1 Adopt a Formal Cost Recovery Policy

The Government Finance Officers Association's (GFOA) best practices for *Establishing Government Charges and Fees* state that governmental entities should adopt formal policies regarding charges and fees which include the jurisdiction's intention to recover the full cost or partial costs of providing services, set forth circumstances under which the jurisdiction might set a charge for fee at less than or more than 100% of full cost, and outline the considerations that might influence the jurisdiction's pricing decision.

Matrix Consulting Group strongly recommends that the Council adopt a formalized, individual cost recovery policy for each service area included in this Study. Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known gap in funding is recognized. It may then potentially be recovered through other revenue sources. Matrix Consulting Group considers a formalized cost recovery policy for various fees for service as an industry Best Management Practice.

2 Adopt an Annual Fee Update / Increase Mechanism

The purpose of a comprehensive update is to revisit the analytical structure completely, service level estimates, and assumptions, and to account for any significant shifts in cost components or organizational structures that have occurred since the City's previous analysis. It's recommended that the City adopt the practice of conducting comprehensive analyses every three to five years, as this practice captures any changes to organizational structure and processes, as well as any new service areas.

GFOA best practices for *Establishing Government Charges and Fees* state that governmental entities should review and update charges and fees periodically based on factors such as the impact of inflation, other cost increases, adequacy of cost recovery, use of services, and the competitiveness of current rates to avoid significant infrequent fee increases. In between comprehensive updates, the City should continue to utilize published industry economic factors such as Consumer Price Index (CPI) or other regional factors to update the cost calculations established in the Study on an annual basis.

2. Legal Foundations and Policy

This section of the report is intended to provide an overview of the legal rules and regulations that govern what is considered a fee for service, how those fees can be calculated, general principles, philosophies, and general policy considerations for setting fees for service.

Legal Framework

A “user fee” is a charge for service provided by a governmental agency to a public citizen or group. California has several Government Codes and Propositions that regulate fees for services, to ensure that fees are reasonable and justified. The most prominent and relevant of these include:

- **Proposition 26:** Passed in 2010, specifically outlined the difference between a fee and a tax and dictates that fees must be directly related to a service and cannot exceed the reasonable cost of that service.
- **Government Code § 50076:** clarifies that fees for service costs are not special taxes and do not need voter approval.
- **Government Code § 65104:** gives local governments the authority to charge planning and zoning fees to recover processing costs.

When determining fees for service, it is essential to ensure there is a **direct benefit** – the service is provided directly to the payer, and that it is **cost-based**, and does not exceed the reasonable cost of providing the service.

General Principles and Philosophies Regarding User Fees

Local governments are providers of many types of general services to their communities. While all services provided by local government are beneficial to constituents, some services can be classified as globally beneficial to all citizens. In contrast, others provide more of a direct benefit to a specific group or individual. The following table provides examples of services provided by local government within a continuum of the degree of community benefit received:

Table 3: Services in Relation to Benefit Received

"Global" Community Benefit	"Global" Benefit and an Individual or Group Benefit	Individual or Group Benefit
• Police • Park Maintenance • Fire Suppression	• Recreation / Community Services • Fire Prevention	• Building Permits • Planning and Zoning Approval • Subdivision Review • Facility Rentals

Funding for local government is obtained from a myriad of revenue sources such as taxes, fines, grants, special charges, user fees, etc. In recent years, alternative tax revenues, which typically offset subsidies for services provided to the community, have become increasingly limited. These limitations have caused increased attention on user fee activities as a revenue source that can offset costs otherwise subsidized (usually) by the general fund. In Table 3, services in the "Global Community Benefit" section tend to be funded primarily through voter-approved tax revenues. In the middle of the table (Global Benefit and Individual or Group Benefit), one typically finds a mixture of taxes, user fees, and other funding sources. Finally, in the "individual/group benefit" section of the table lie the services provided by local government that are typically funded almost entirely by user fee revenue.

The following are two central concepts regarding the establishment of user fees:

- **Fees should be assessed according to the degree of individual or private benefit gained from services.** For example, the processing and approval of a land use or building permit will generally result in a financial benefit to the applicant. In contrast, Police services and Fire Suppression are examples of services that are essential to the safety of the community at large.
- **A profit-making objective should not be included in the assessment of user fees.** In fact, California laws require that the charges for service be in direct proportion to the costs associated with providing those services. Once a service charge is assessed at a level higher than the actual cost of providing a service, the term "user fee" no longer applies. The charge then becomes a tax subject to voter approval.

Therefore, it is commonly accepted that user fees are established at a level that will recover up to, and not more than, the cost of providing a particular service.

General Policy Considerations Regarding User Fees

Undoubtedly, there are programs, circumstances, and services that justify a subsidy from a tax base or alternative revenue source. However, it is essential that jurisdictions

prioritize the use of revenue sources for the provision of services based on the continuum of benefit received.

Within the services that are typically funded by user fees, Matrix Consulting Group recognizes several reasons why City staff or the Council may not advocate for the full cost recovery of services. The following factors are key policy considerations in setting fees at less than 100 percent of cost recovery:

- **Limitations posed by an external agency.** The State or an outside agency will occasionally set a maximum or minimum or otherwise limit the jurisdiction's ability to charge a fee. An example includes time spent copying and retrieving public documents and/or transportation permits.
- **Encouragement of desired behaviors.** Keeping fees for certain services below full cost recovery may provide better compliance from the community. For example, suppose the cost of a permit for changing out or installing a water heater in a residential home is higher than the cost of the water heater itself. In that case, many citizens will avoid pulling the permit.
- **Benefit received by the user of the service and the community at large is mutual.** Many services that directly benefit a group or individual equally benefit the community. Examples include Planning Design Review and historical dedications.

Matrix Consulting Group recognizes the need for policies that intentionally subsidize certain activities. The primary goals of a User Fee Study are to provide a fair and equitable basis for determining the costs of providing services and ensure that the City complies with State law.

Summary of Legal Restrictions and Policy Considerations

Once the full cost of providing services is known, the next step is to determine the "rate" or "price" for services at a level which is up to, and not more than, the full cost amount. The Council is responsible for this decision, which often becomes a question of balancing service levels and funding sources. The placement of a service or activity within the continuum of benefit received may require extensive discussion and, at times, fall into a "grey area." However, with the resulting cost of services information from a user fee study, the Council can be assured that the adopted fee for service is reasonable, fair, and legal. The City will need to review all fees for service in this analysis, and where subsidies are identified, increase the fee to reduce the deficit; where over-recoveries are identified, the fee must be reduced to comply with State laws.

3. User Fee Study Methodology

Matrix Consulting Group utilizes a cost allocation methodology commonly known and accepted as the “bottom-up” approach to establishing user fees. The term means that several cost components are calculated for each fee or service. These components then build upon each other to comprise the total cost for providing the service. The following chart describes the elements of a full cost calculation:



The following subsections discuss the two components of the basis of the full cost.

Time Estimation

Utilization of time estimates is a reasonable and defensible approach, as experienced staff members who understand service levels and processes unique to the City developed these estimates. The project team worked closely with City staff in developing time estimates with the following criteria:

- Estimates are representative of **average times** for providing services. Extremely difficult or abnormally simple projects are not factored into the analysis.
- Estimates reflect the time associated with the **position or positions** that typically perform a service.
- Estimates provided by staff are reviewed and approved by the department/division and often involve multiple iterations before a Study is finalized.
- Estimates are reviewed by the project team for “**reasonableness**” against their experience with other agencies.
- Estimates are not based on time and motion studies, as they are not practical for the scope of services and time frame for this project.
- Estimates match the current or proposed staffing levels to ensure there is no over-allocation of staff resources to fee and non-fee related activities.

Matrix Consulting Group agrees that while the use of time estimates is not perfect, it is the best alternative available for setting a standard level of service on which to base a jurisdiction's fees for service while meeting the requirements of California law.

The alternative to time estimating is actual time tracking, often referred to as billing on a "time and materials" basis. Except in the case of anomalous or sometimes very large and complex projects, the Matrix Consulting Group believes this approach is not cost-effective or reasonable for the following reasons:

- Accuracy in time tracking is compromised by the additional administrative burden required to track, bill, and collect for services in this manner.
- Additional costs are associated with administrative staff's billing, refunding, and monitoring deposit accounts.
- Customers often prefer to know the fees for services in advance of applying for permits or participating in programs.
- Departments can better predict revenue streams and staff needs using standardized time estimates and anticipated permit volumes.

Situations arise where the size and complexity of a given project warrant time tracking and billing on a "time and materials" basis. The Matrix Consulting Group has recommended taking a deposit and charging actual costs for such fees as appropriate and itemized within the current fee schedule.

Fully Burdened Hourly Rates

The fully burdened hourly rates calculated through this study include the following components:

- **Salaries:** FY26 Budgeted salaries were utilized and consolidated at the positional level.
- **Benefits:** FY26 Budgeted benefits were utilized and consolidated at the positional level.
- **Productive Hours:** Based on the City of Piedmont's current personnel system rules, working or productive hours were calculated. This means taking the 1,950 starting hours and reducing them by vacation, sick, holidays, training, and administrative leave.

- **Departmental / Divisional Overhead:** This captures any internal service charges or operating supply costs, such as vehicles, supplies, etc. Additionally, this component includes the cost associated with support from the Director and Administrative and Analytical staff who do not directly work on fee-related services.
- **Citywide Overhead:** This captures general support provided by departments such as Finance, Human Resources, and the City Attorney. As the City does not have a current cost allocation plan, this cost was calculated using the current federal *de minimis* rate for indirect costs (15% of the applicable cost base).

Together, these components result in the generation of fully burdened hourly rates by position and classification, as well as department and division. These rates were multiplied against the time assumptions to calculate the full cost of services noted in this report.

4. Results Overview

The motivation behind a cost-of-service (user fee) analysis is for the City Council and Departmental staff to maintain services at a level that is both accepted and effective for the community and to maintain control over the policy and management of these services.

It should be noted that the results presented in this report are not a precise measurement. In general, a cost-of-service analysis takes a “snapshot in time,” where a fiscal year of adopted, budgeted cost information is compared to the prior fiscal year of revenue and workload data available. Changes to the structure of fee names, along with the use of time estimates, enable a reasonable projection of subsidies and revenue. Consequently, the Council and Department staff should rely conservatively upon these estimates to gauge the impact of implementation going forward.

Discussion of results in the following chapters is intended as a summary of extensive and voluminous cost allocation documentation produced during the study. Each chapter will include detailed cost calculation results for each major service category, including the following:

- **Modifications or Issues:** discussions regarding any revisions to the current fee schedule, including elimination or addition of fees.
- **“Per Unit” Results:** comparison of the full cost of providing each unit of service to the current fee for each unit of service (where applicable).
- **Annualized Results:** utilizing volume of activity estimates, revenue impacts were projected where workload was available.

The complete analytical results were provided to City staff under separate cover from this summary report.

5. Building

The Building Division is responsible for providing plan check and inspection services on all building and construction within the City; these services ensure all buildings comply with California building codes and regulations to maintain the safety of the community. Fees included in this analysis relate to plan checks and inspections for commercial and residential construction projects. The following subsections discuss fee schedule modifications, detailed per-unit results, and annual impacts for the fee-related services provided by the Building Division.

Fee Schedule Modifications

In discussions with Building Division staff, staff indicated that some fees needed to be expanded to better reflect the increasing variety of projects processed by the Building Division. Therefore, the following modifications were made:

- The valuation categories for 'Building Permit & Inspection Fees' and 'Plan Check Fees' were expanded to include two new levels: '\$10,000,000 to \$25,000,000' and 'Over \$25,000,000.'
- The fee for 'Solar Energy Related Permits' was expanded to include three separate fees: 'Residential,' 'Commercial,' and 'SolarAPP+.'

The goal of these modifications is to better reflect the services provided by the Building Division and to ensure that associated fees and charges are accurate, fair, transparent, and defensible.

Detailed Results

The Building Division charges fees for building permits and other miscellaneous services such as solar permits, address changes, and searches of property records. The total cost calculated for each service includes direct staff costs and departmental and Citywide overhead. The following table details the fee name, current fee, total cost, and the difference associated with each service offered.

Table 4: Total Cost Per Unit Results – Building Fees

Fee Name	Current Fee	Total Cost	Difference
Building Permit & Inspection Fees (Based On Valuation)			
\$1 to \$500	\$76	\$149	(\$73)
\$501 to \$2,000	\$82	\$149	(\$67)
Each Additional \$100	\$4.35	\$10.31	(\$5.96)
\$2,001 to \$25,000	\$148	\$303	(\$155)
Each Additional \$1,000	\$21.11	\$22.14	(\$1.03)
\$25,001 to \$50,000	\$663	\$812	(\$149)
Each Additional \$1,000	\$15.12	\$33.11	(\$17.99)
\$50,001 to \$100,000	\$1,062	\$1,640	(\$578)
Each Additional \$1,000	\$10.42	\$22.96	(\$12.54)
\$100,001 to \$500,000	\$1,619	\$2,788	(\$1,169)
Each Additional \$1,000	\$8.38	\$9.79	(\$1.41)
\$500,001 to \$1,000,000	\$4,872	\$6,705	(\$1,833)
Each Additional \$1,000	\$7.09	\$16.92	(\$9.83)
\$1,000,000 to \$10,000,000	\$8,964	\$15,165	(\$6,201)
Each Additional \$1,000	\$4.53	\$5.31	(\$0.78)
\$10,000,000 to \$25,000,000	\$49,734	\$62,968	(\$13,234)
Each Additional \$1,000	\$4.53	\$4.12	\$0.41
Over \$25,000,000	\$117,684	\$124,818	(\$7,134)
Each Additional \$1,000	\$4.53	\$2.06	\$2.47
Plan Check Fee (Based On Valuation)			
\$1 to \$500	\$25	\$74	(\$49)
\$501 to \$2,000	\$30	\$74	(\$44)
Each Additional \$100	\$3.17	\$9.22	(\$6.05)
\$2,001 to \$25,000	\$71	\$212	(\$141)
Each Additional \$1,000	\$13.66	\$4.93	\$8.73
\$25,001 to \$50,000	\$404	\$367	\$37
Each Additional \$1,000	\$10.25	\$15.29	(\$5.04)
\$50,001 to \$100,000	\$668	\$750	(\$82)
Each Additional \$1,000	\$6.80	\$7.27	(\$0.47)
\$100,001 to \$500,000	\$1,026	\$1,113	(\$87)
Each Additional \$1,000	\$5.46	\$1.12	\$4.34
\$500,001 to \$1,000,000	\$3,148	\$1,560	\$1,588
Each Additional \$1,000	\$4.58	\$1.79	\$2.79
\$1,000,000 to \$10,000,000	\$5,803	\$2,453	\$3,350
Each Additional \$1,000	\$3.05	\$0.13	\$2.92
\$10,000,000 to \$25,000,000	\$33,253	\$3,642	\$29,611
Each Additional \$1,000	\$3.05	\$0.11	\$2.94
Over \$25,000,000	\$79,003	\$5,344	\$73,659
Each Additional \$1,000	\$3.05	\$0.06	\$2.99
Permit Renewal			
<u>Length of Permit Expiration:</u>			
Less than 180 days	No Fee	\$0	
181 to 365 days	50%	50%	0%
More than 365 days	100%	100%	0%
Records Management Fee			
For Permits and Inspections	5%	6%	-1%
For Permit Renewals	5%	6%	-1%

Fee Name	Current Fee	Total Cost	Difference
Strong Motion Instrumentation & Seismic Hazard Mapping Program (SMIP) Determined by State ¹			
Valuation:			
\$1 to \$3,850	\$0.50	\$0.50	\$0.00
Over \$3,850			
Base	\$0.50	\$0.50	\$0.00
For Additional Valuation over \$3,850	[Job Value - \$100,001] / \$25,000*\$1.00		
Calif SB 1473 Fee (Determined by State Effective 1/1/2009) ²			
Valuation:			
\$1 to \$25,000	\$1	\$1	\$0
\$25,001 to \$50,000	\$2	\$2	\$0
\$50,001 to \$75,000	\$3	\$3	\$0
\$75,001 to \$100,000	\$4	\$4	\$0
Over \$100,000			
Base	\$4	\$4	\$0
For Additional Valuation Over \$100,000	[Job Value - \$100,001] / \$25,000*\$1.00		
Other Fees and Permits			
Change in Approved Building Permit (CAP)	\$90	\$522	(\$432)
Solar Energy Permit			
Residential	\$396	\$559	(\$163)
Commercial	\$396	\$1,085	(\$689)
SolarAPP+	\$396	\$343	\$53
Change of Address Fee	\$110	\$273	(\$163)
Drop Box	\$72	\$182	(\$110)
Garage Sale Permit	\$35	\$91	(\$56)
Hourly Rates:			
Building Official	\$113	\$213	(\$100)
Planning & Building Director	\$170	\$257	(\$87)
Plans Examiner	\$99	\$186	(\$87)
Senior Planner	\$96	\$187	(\$91)
Associate Planner	\$81	\$172	(\$91)
Housing Records Search	\$101	\$182	(\$81)
Permit to Legalize Unpermitted ADU or JADU	\$1,081	\$1,629	(\$548)
New Sewer Connection	\$1,433	\$297	\$1,136
Penalty Fee – Starting Construction without Permit	150%	150%	0%
Planning Commission Mailing List		No Fee	
Residential Rental Safety Inspection	\$244	\$400	(\$156)
Title 24 Plan Check			
Prescriptive Compliance	\$101	\$113	(\$12)
No increase in conditioned floor area	\$168	\$113	\$55
Addition area only	\$204	\$170	\$34
Addition plus existing area combined	\$273	\$340	(\$67)
New home or structure	\$309	\$567	(\$258)
Stand Alone / Over the Counter Permits			
Re-Roof		\$436	
Stand Alone Trade (i.e., Water Heater, plumbing, mechanical, electrical, EV, etc.)		\$436	

Most fees charged by the Building division show an under-recovery. For the valuation-based fees, the most significant under-recoveries relate to Permit and Inspection fees for

¹ PRC § 2705

² California Code of Regulations, Title 24, Chapter 1, Article 5

the \$10 million and over \$25 million categories, which have subsidies of roughly \$13,000 and \$7,000, respectively. Several of the “each additional \$1,000” categories for the valuation-based fees show over-recoveries as well. When looking at flat fees, the largest undercharge is for a ‘Solar Energy Related Permit – Commercial’ (\$689), while the smallest under-recovery is for a ‘Garage Sale Permit’ (\$56).

There are several fees that show over-recoveries, especially the higher tiers of the ‘Plan Check Fee.’ These over-recoveries emphasize the importance of the modifications suggested by the Building staff to right-size the fee schedule to better fit the projects seen by the Division.

Implementing fees at the cost listed in the “Total Cost” column above will allow the Division to recover the costs associated with all Citywide departments and divisions involved in processing building permits while remaining in compliance with state laws and regulations.

General Plan Maintenance Fee

A General Plan Maintenance fee is meant to account for updates to the general plan, zoning ordinance, housing elements, and other long-range planning activities that are part of the larger General Plan.

The General Plan Maintenance fee is governed by Government Code Section 66014(b), which states that fees “may include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and recommendations.” This code states that fees can be charged against zoning changes, zoning variances, use permits, building inspections, and filing applications.

More typically, the fee is charged during the building permit phase to ensure that any development project that reaches this phase has enough impact to require an update to the Zoning Code or the General Plan. This fee should only be applied to major building permits (i.e., new or remodel / tenant improvements) rather than standalone permits for water heaters or electrical outlets.

1 Cost Components and Calculation

The City of Piedmont utilizes both contract and in-house staff to update the City’s long-range planning efforts. The table below shows the annualized costs to perform these updates.

Table 5: General Plan Maintenance Fee Cost Components

Category	Total Cost	Lifespan	Annual Cost
General Plan Update	\$2,000,000	15	\$133,333
Sr. Planner (30%)	\$85,197	1	\$85,197
Planning Director (10%)	\$39,016	1	\$39,016
Planner (25%)	\$53,736	1	\$53,736
Total Long-Range Planning Annual Costs			\$311,283

The total annual costs associated with updating the General Plan are approximately \$311,000. To assess this fee as a percentage of the building valuation, the project team took the annual cost associated with general plan upkeep and divided it by the total valuation for major projects for FY24. The following table shows this calculation:

Table 6: General Plan Maintenance Fee Calculation

Category	Amount
Total General Plan Annual Maintenance Cost	\$311,283
Annual Building Permit Valuation	\$20,752,721
General Plan Maintenance Fee	1.50%

As the table indicates, the calculated General Plan Maintenance Fee is 1.50% of the building valuation. The following table compares the city's current fee to the full cost fee calculated through this study:

Table 7: General Plan Maintenance Fee Per Unit Result Comparison

Category	Current Fee	Full Cost	Surplus / (Deficit)
General Plan Maintenance Fee	1.50%	1.50%	(0%)

The City's current fee is \$15.00 per \$1,000 of building permit valuation or 1.50% of the building valuation, which aligns with the full cost calculated of 1.50%.

As part of this analysis, the project team conducted a comparative survey of other local jurisdictions and their General Plan Maintenance Fees. Like other comparative efforts, the survey below only shows the fees charged by the jurisdiction and does not include the basis upon which the other jurisdictions calculated or developed their fee. The following table shows the results of this comparative analysis:

Table 8: General Plan Maintenance Fee – Comparative Survey

Jurisdiction	Fee Amount
Alameda	0.50% of job valuation
Emeryville	0.50% of construction valuation
Foster City	0.50% of the application value above \$500
Hillsborough	0.51% of permit valuation
Mill Valley	19% of permit fee

As the table indicates, the surrounding jurisdictions charge for long-range planning either as a percentage of the building valuation or as a percentage of the permit fee. Of those jurisdictions that charge it as a percentage of the building permit valuation, both the City's current fee and full cost of 1.50% fall above the fees of all surveyed jurisdictions. Mill Valley is the only surveyed jurisdiction that assesses this fee based on the permit fee, rather than project valuation.

2 Surcharge Funds

It is best practice to collect and account for General Plan Maintenance fees in a separate account or subaccount, as doing so ensures compliance with funding requirements, enables appropriate allocation of funds to long-term planning activities, and mitigates any potential issues with the comingling of funds.

Annual Revenue Impact

Based on FY24 permit information, the Building Division has an under-recovery of roughly \$392,000. The following table shows revenue at the current fee, total projected annual cost, and the resulting difference by major fee category.

Table 9: Annual Results – Building

Fee Category	Revenue at Current Fee	Annual Cost	Difference
Building Permit & Inspection	\$548,335	\$840,996	(\$292,661)
Plan Check	\$337,444	\$345,715	(\$8,272)
Other Permits and Fees	\$87,073	\$178,252	(\$91,179)
Total	\$972,852	\$1,364,964	(\$392,112)

The Building Division has an annual cost recovery of 71%. The primary source of this difference is in relation to valuation-based permits and plan checks, especially the '\$2,001 to \$25,000' tier. Combined, the 'Building Permit and Inspection fee' and the 'Plan Check Fee' for this tier have a \$155 under-recovery, and the fees were administered about 450 times each in FY24. The frequency of issuance for these permits results in a large overall deficit. Staff should review the results of this analysis and make necessary adjustments to reduce the cost recovery gap.

6. Planning

The Planning Division focuses on ensuring that Piedmont's development complies with environmental policies, long-range plans, and zoning regulations. The Division also oversees transportation planning, affordable housing, and film permits. The fees examined within this study relate to design review, zoning compliance, subdivisions, CEQA, film permits, and wireless communication facilities, among other miscellaneous fees. The following subsections discuss fee schedule modifications, detailed per-unit results, and annual impacts for the fee-related services provided by the Planning Division.

Fee Schedule Modifications

In discussions with Planning Division staff, various modifications to the current fee schedule were proposed, including:

- **Eliminated Fees:** Planning staff are no longer responsible for administering or issuing the following permits; as such, they have been eliminated from the fee schedule:
 - 'Conditional Use Permit – Minor Modification'
 - 'Eligible Facility Request Permit'
- **New Fees:** Based on recent changes in local and state codes, Planning staff proposed the development and addition of the following fees to the fee schedule:
 - 'AB 1322 Pre-Approved ADU Plans'
 - 'Conditional Use Permit – Emergency Shelters'
 - 'Jurisdictional Determination'
 - 'SB 684 Subdivision'
- **Expanded Fees:** The current fee schedule has three applications associated with Wireless Communication Facilities (WCF); however, in discussions with Planning staff, it was determined that additional application types needed to be added to the fee schedule, including:
 - 'WCF Macro Facilities in non-ROW, Review by Planning Commission'
 - 'WCF in ROW/Non-ROW, Review by Director'
 - 'WCF in Non-ROW'
- **Streamlined Fees:** The tiers for both the 'Design Review Permit – Director Review' and the 'Design Review Permit – Planning Commission Review' were streamlined to better reflect the most common projects. The new tiers/structures are:

- Design Review Permit – Director Review
 - ‘Construction < \$50,000’
 - ‘Construction \$50,000 - \$200,000’
- Design Review Permit – Planning Commission Review
 - ‘Construction \$200,000 or more’
- **Modified Fees:** The names of several fees were modified for clarity:
 - ‘SB 684 Subdivision’ was renamed to ‘SB 684 Housing Subdivision’
 - ‘Zoning Amendment’ was renamed to ‘Zoning Code Amendment’

The modifications noted above help streamline the Planning fee schedule to better reflect the types of services provided and the level of effort associated with those activities.

Detailed Results

The Planning Division collects fees for design review, zoning compliance and exceptions, land subdivisions, environmental compliance, film permits, and wireless facilities. The total cost calculated for each service includes direct staff costs and departmental and Citywide overhead. The following table details the fee name, current fee, total cost, and the difference associated with each service evaluated in the study.

Table 10: Total Cost Per Unit Results – Planning Fees

Fee Name	Current Fee	Total Cost	Difference
Design Review Permit – Expedited Review			
General Applications	\$250	\$482	(\$232)
Windows & Doors	\$287	\$482	(\$195)
Changes to Previously Approved Permits	\$393	\$552	(\$159)
Design Review Permit - Director Review			
Construction \$50,000	\$515	\$694	(\$179)
Construction \$50,001 - \$200,000	\$768	\$906	(\$138)
Design Review Permit - Planning Commission Review			
Construction \$200,001 or more	\$2,193	\$1,974	\$219
New House	\$5,388	\$2,479	\$2,909
Sequential DRP-DRs referred to PC	\$153	\$1,124	(\$971)
Variance			
One Variance with Design Review	\$1,075	\$327	\$748
One Variance without Design Review	\$1,453	\$1,832	(\$379)
Each Additional Variance	\$527	\$192	\$335
Conditional Use Permit			
Conditional Use Permit	\$2,719	\$4,515	(\$1,796)
Emergency Shelters	New	\$951	N/A

Fee Name	Current Fee	Total Cost	Difference
Other Review			
Additional Bedroom Permit	\$280	\$482	(\$202)
Administrative Extension	\$410	\$69	\$341
Appeal	\$856	\$5,866	(\$5,010)
Accessory Dwelling Unit Permit (with or without Exception)	\$1,015	\$906	\$109
AB 1332 Pre-Approved ADU Plans	New	\$1,982	NA
Modification to Approved ADU Permit	\$393	\$552	(\$159)
Fence, Retaining Wall or Site Feature Design Review Permit	\$660	\$1,562	(\$902)
SB 684 Housing Subdivision	\$20,000	\$9,790	\$10,210
SB9 Housing Development	\$2,181	\$9,790	(\$7,609)
Modification to Approved SB 9 Permit	\$393	\$7,505	(\$7,112)
Sign Design Review Permit	\$1,096	\$1,505	(\$409)
Short-Term Rental Permit	\$399	\$340	\$59
AB 939 Information Report	\$153	\$212	(\$59)
Jurisdictional Determination	\$2,000	\$5,292	(\$3,292)
Zoning Code Amendment	\$3,213	\$10,334	(\$7,121)
Subdivision/Map Act			
Parcel Merger deposit/cost to process	\$1,867	\$1,799	\$68
Lot Line Adjustment	\$2,220	\$1,799	\$421
Parcel Map	\$4,526	\$4,584	(\$58)
Tentative Map	\$8,058	\$4,584	\$3,474
SB 684 Subdivision	\$20,000	\$9,228	\$10,772
SB 9 Urban Lot Split	\$2,220	\$6,527	(\$4,307)
California Environmental Quality Act (CEQA)			
Initial Study/Negative Declaration	\$53,865	\$2,623	\$51,242
Environmental Impact Report (EIR)	\$107,730	\$3,409	\$104,321
CA Dept. of Fish & Wildlife Fee	\$505	\$142	\$363
Filming Permit			
Still Photography	\$1,778	\$283	\$1,495
Commercial Video	\$2,165	\$283	\$1,882
Motion Picture Video	\$2,692	\$283	\$2,409
Wireless Communication Facility (WCF) Permit			
WCF Permit for small cell facilities located in the City right-of-way	\$4,486	\$9,682	(\$5,196)
WCF Permit for all facilities other than small cell in City right-of-way	\$12,378	\$7,044	\$5,334
WCF Independent Technical Review for all facilities other than small cell in City right-of-way	\$12,378	\$623	\$11,755
WCF Macro Facilities in non-ROW, Review by Planning Commission	New	\$9,682	N/A
WCF Facilities in ROW/non-ROW, Review by Director	New	\$6,060	N/A
WCF Facilities in non-ROW	New	\$8,460	N/A

Fee Name	Current Fee	Total Cost	Difference
Other Fees			
Reasonable Accommodation		No Fee	
Zoning Compliance Letter	\$94	\$283	(\$180)
Development Agreement	\$6,727 + 30% Admin. Fee		
Applications and Reviews not listed above	\$3,662 + 30% Admin. Fee		

The Planning Division's fees show a mix of under- and over-recoveries. The fees with the largest undercharges are related to SB9 applications; review of an 'SB9 Housing Development' costs about \$7,600 more than the current fee, while a 'Modification to an Approved SB9 Permit' costs around \$7,100 more than the current fee. The fee that shows the smallest under-recovery is the 'Zoning Compliance Letter' fee (\$189).

Several fees currently over-recover their associated costs. Of the fees that are not deposits, the largest over-recovery is for Planning Commission Design Review of a new house; the current fee is approximately \$2,900 higher than the calculated total costs. The fee with the smallest overcharge is the 'Short-Term Rental Permit' at about \$59.

Planning staff should review these fees to determine what changes are needed to comply with State law and improve cost recovery.

Annual Revenue Impact

Based on the FY24 permit information, the Planning Division has an under-recovery of roughly \$34,500. The following table shows the revenue at current fee, total projected annual cost, and the resulting difference by major fee category.

Table 11: Annual Results – Planning

Fee Category	Revenue at Current Fee	Annual Cost	Difference
Design Review	\$139,829	\$175,680	(\$35,851)
Variance	\$8,600	\$2,615	\$5,985
Other Review	\$47,193	\$47,470	(\$277)
Subdivisions/Maps	\$2,220	\$6,527	(\$4,307)
Total	\$197,842	\$232,292	(\$34,450)

Planning has an annual cost recovery of 85%. The primary source of this difference is in relation to design review. General Applications for Expedited Design Review make up approximately \$18,000 of the total deficit; this fee shows a \$232 per-unit under-recovery and was administered about 80 times last year. Staff should continue to evaluate the results of this analysis and, where appropriate, adjust to bridge the cost recovery gap.

7. Fee Adjustments

The following sections provide guidance regarding how and where to increase fees, determine annual update factors, and develop cost recovery policies and procedures.

Fee Adjustments

This study has documented and outlined, on a fee-by-fee basis, where the City is under- and over-collecting for its fee-related services. City and Department management will now need to review the study results and adjust fees in accordance with Departmental and City philosophies and policies. The following bullet points outline the major options the City has for adjusting its fees.

- **Over-Collection:** Upon review of the fees that were shown to be over-collecting for the costs of services provided, the City should reduce the current fee to be in line with the full cost of providing the service.
- **Full Cost Recovery:** For fees that show an under-collection for costs of services provided, the City may decide to increase the fee to full cost recovery immediately.
- **Phased Increase:** For fees with significantly low-cost recovery levels, or which would have a significant impact on the community, the City could choose to increase fees gradually over a set period.

The City will need to review the results of the fee study and associated cost recovery levels and determine how best to adjust fees. While decisions regarding fees that currently show an over-recovery are straightforward, the following subsections provide further detail on why and how the City should consider either implementing Full Cost Recovery or a Phased Increase approach to adjusting its fees.

1 Full Cost Recovery

Based on the permit or review type, the City may wish to increase the fee to cover the full cost of providing services. Certain permits may be close to cost recovery already, and an increase to full cost may not be significant. Other permits may have a more significant increase associated with full cost recovery.

Increasing fees associated with permits and services that are already close to full cost recovery may increase the Department's overall cost recovery level. Often, these minimal increases can provide necessary revenue to counterbalance fees which are unable to be increased.

The City should consider increasing fees for permits for which services are rarely engaged to full cost recovery. These services often require specific expertise and can involve more complex research and review due to their infrequent nature. As such, setting these fees at full cost recovery will ensure that when the permit or review is requested, the City is recovering the full cost of its services.

2 Phased Increases

Depending on current cost recovery levels, some current fees may need to be increased significantly to comply with established or proposed cost recovery policies. Due to the type of permit or review or the amount by which a fee needs to be increased, it may be best for the City to use a phased approach to reaching its cost recovery goals.

As an example, the City may have a current fee of \$200 with a full cost of \$1,000, representing 20% cost recovery. If the current policy is 80% cost recovery, the current fee would need to increase by \$600, bringing the fee to \$800, to comply. Assuming this service is something the City provides quite often and affects various members of the community, an instant increase of \$600 may not be feasible. Therefore, the City could take a phased approach, whereby it increases the fee annually over a set period until cost recovery is achieved.

Raising fees over a set period not only allows the City to monitor and control the impact on applicants but also ensures that applicants have time to adjust to significant increases. Continuing with the example laid out above, the City could increase the fee by \$150 for the next four years, spreading out the increase. Depending on the desired overall increase and the impact on applicants, the City could choose to vary the number of years by which it chooses to increase fees. However, the project team recommends that the City not phase increases for periods greater than five years, as that is the maximum window for which a comprehensive fee assessment should be completed.

Annual Adjustments

Conducting a comprehensive analysis of fee-related services and costs annually would be quite cumbersome and costly. The general rule of thumb for comprehensive fee analyses is between three and five years. This allows for jurisdictions to ensure they account for organizational changes such as staffing levels and merit increases, as well as process efficiencies, code or rule changes, or technology improvements. Developing annual update mechanisms allows jurisdictions to maintain current levels of cost recovery while accounting for increases in staffing or expenditures related to permit services. Currently, Piedmont updates their fees annually based on a CPI factor, a best practice which the City should continue.

Policies and Procedures

This study has identified areas where the City is under-collecting the costs associated with providing services. This known funding gap is therefore being subsidized by other City revenue sources.

Development of cost recovery policies and procedures will ensure that current and future decision-makers understand the rationale behind fee determinations and provide a road map for ensuring consistency when moving forward. The following subsections outline typical cost recovery levels and discuss the benefits of developing target cost recovery goals and procedures for achieving and increasing cost recovery.

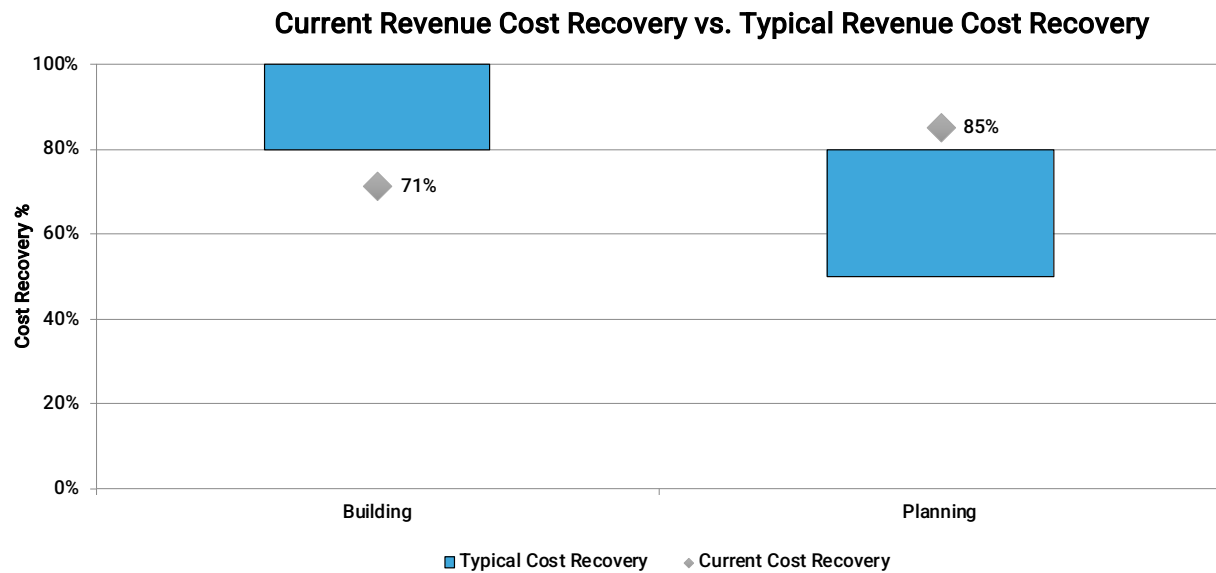
1 Typical Cost Recovery

The Matrix Consulting Group has extensive experience in analyzing local government operations across the United States and has calculated typical cost recovery ranges. The following table outlines the cost recovery ranges by major service area.

Table 12: Typical Cost Recovery Ranges by Major Service Area

Service Areas	Typical Cost Recovery Ranges
Building	80-100%
Planning	50-80%

Information presented in the table above is based on the Matrix Consulting Group's experience in analyzing local governments' operations across the United States and within California and reflects *typical* cost recovery ranges observed by local adopting authorities. The following graph depicts how Piedmont compares to industry cost recovery range standards.



Building's current cost recovery is just below typical cost recovery ranges, while Planning is above the typical cost recovery range.

2 Development of Cost Recovery Policies and Procedures

The City should review the current cost recovery levels and adopt a formal policy regarding cost recovery. This policy can be general in nature and can apply broadly to the City as a whole, or to each department and division specifically. A department-specific cost recovery policy would allow the City to better control the cost recovery associated with various services and the community benefits received.

Appendix A: Comparative Survey

As part of the cost-of-service (user fee) study for the City of Piedmont, Matrix Consulting Group conducted a comparative survey of user fees. The City identified seven jurisdictions to be included in the comparative survey: Alameda, Corte Madera, Emeryville, Foster City, Hillsborough, Mill Valley, and Sausalito. The project team then reviewed public documents (i.e., agenda items, staff reports, budgets, fee schedules, and ordinances), and or contacted jurisdictions to get comparative information.

While this report will provide the City with a reasonable estimate and understanding of the true costs of providing services, many jurisdictions also wish to consider the local “market rates” for services as a means for assessing what types of changes in fee levels their community can bear. However, a comparative survey does not provide adequate information regarding the relationship between a jurisdiction’s cost and its fees.

The following sections detail various factors to consider when reviewing comparative survey results, as well as graphical comparisons of current fees and total calculated costs for various permits issued or services provided by the City.

Economic Factors

To provide additional context to the comparative survey information, the project team collected economic factors for the jurisdictions included. Three important economic factors to consider when comparing fees across multiple jurisdictions are population, budget, and workforce size. The following tables rank each jurisdiction from smallest to largest for each of these economic factors:

Table 13: Ranking of Jurisdictions by Population

Jurisdiction	2024 Est. Population ³
Sausalito	6,856
Corte Madera	9,882
Piedmont	10,782
Hillsborough	11,116
Emeryville	13,314
Mill Valley	13,635
Foster City	32,581
Alameda	78,071

³ Estimates from the CA Department of Finance.

Table 14: Ranking of Jurisdictions by Citywide Total Budget⁴

Jurisdiction	FY24/25 Budget
Sausalito	\$31,674,065
Corte Madera	\$47,909,269
Mill Valley	\$56,270,033
Piedmont	\$71,436,505
Hillsborough	\$75,969,794
Foster City	\$142,860,115
Emeryville	\$164,348,928
Alameda	\$312,464,147

Table 15: Ranking of Jurisdictions by Workforce Size

Jurisdiction	FY24/25 FTE
Corte Madera	46.00
Hillsborough	99.00
Piedmont	99.00
Sausalito	102.00
Mill Valley	150.00
Emeryville	173.28
Foster City	179.00
Alameda	506.00

Based on the data shown in the previous tables, Piedmont ranks in the lower middle of surveyed jurisdictions in terms of workforce size, budget, and population.

Recency Factor

While the previous comparative information can provide some perspective when comparing Piedmont's fees with surveyed jurisdictions, other key factors to consider are when a jurisdiction's fee schedule was last updated and when the last comprehensive analysis was completed. The following tables detail when each surveyed jurisdiction last conducted a fee analysis and when they last updated their fee schedule.

Table 16: Last Fee Study Conducted

Jurisdiction	Response
Corte Madera	2015 ⁵
Emeryville	2016
Foster City	2023
Alameda	2024
Mill Valley	2024
Foster City	2024
Sausalito	2024

⁴ To ensure appropriate comparisons, full budget (all funds) has been used for all jurisdictions.

⁵ The City of Corte Madera conducted an additional fee study in 2025, but these fee updates will not go into effect until FY26 and are not reflected in the fee amounts used for comparison.

Table 17: Last Fee Schedule Update

Jurisdiction	Response
Alameda	FY 24/25
Corte Madera	FY 24/25
Emeryville	FY 24/25
Foster City	FY 24/25
Hillsborough	FY 24/25
Mill Valley	FY 24/25
Sausalito	FY 24/25

Based on the data presented in the above tables, all jurisdictions except Corte Madera and Emeryville conducted a fee study within the last 5 years. All surveyed jurisdictions have updated their fee schedules within the last year.

Although these metrics may seem similar, many jurisdictions will update their fee schedules without completing or conducting a comprehensive fee analysis. For example, while the Town of Corte Madera has updated its fees annually, it hasn't completed a fee study in almost 10 years. Although the fee amounts are updated, the basis for calculating those fee amounts has not been evaluated.

It is important to note that even though jurisdictions may have conducted fee studies, fees are not always adopted at full cost recovery. The comparative results will only show the adopted fees for the surveyed jurisdictions, not necessarily the full cost associated with the comparable service.

Additional Factors

Along with keeping the statistics outlined in the previous sections in mind, the following issues should also be noted when considering market surveys in setting fees for service:

- Each jurisdiction and its fees are different, and many are not based on the actual cost of providing services.
- The same fee with the same name may include more or fewer steps or sub-activities. In addition, jurisdictions provide varying levels of service and have varying levels of costs associated with providing services, such as staffing levels, salary levels, indirect overhead costs, etc.

Market surveys can run the risk of creating an overwhelming amount of data that will obscure rather than clarify policy issues. Because each jurisdiction is different, Matrix Consulting Group recommends that the information contained in the market comparison

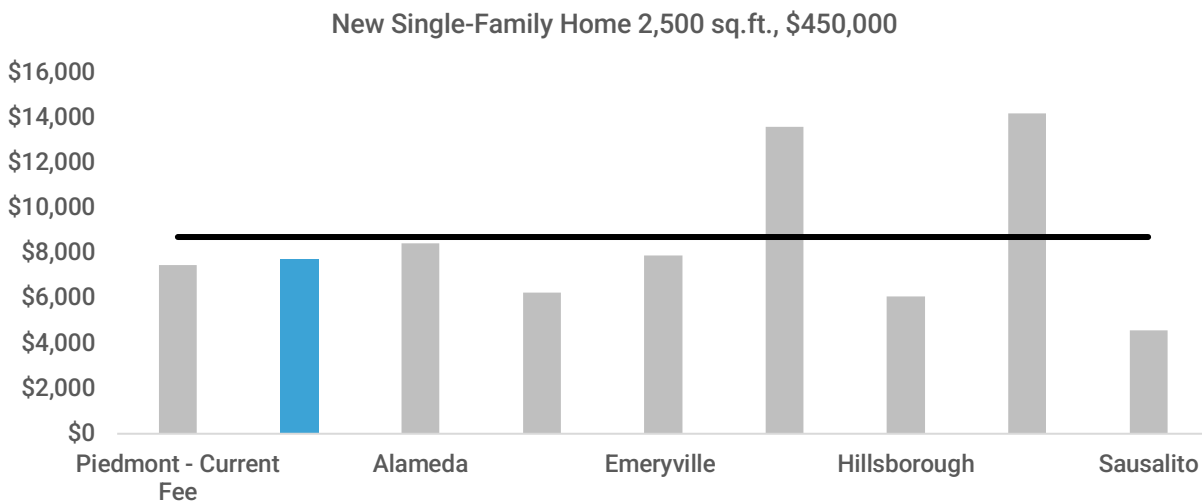
of fees be used as a secondary decision-making tool, rather than a tool for establishing an acceptable price point for services.

Comparative Survey Results

As part of this study, the project team conducted a survey of how the City’s current user fees and calculated full costs compare to other similarly sized and regionally located jurisdictions. The following subsections provide a comparative look at several fee-related services provided by the City versus the surveyed jurisdictions.

1 New Single-Family Home Valued at \$450,000, 2,500 Sq. Ft.

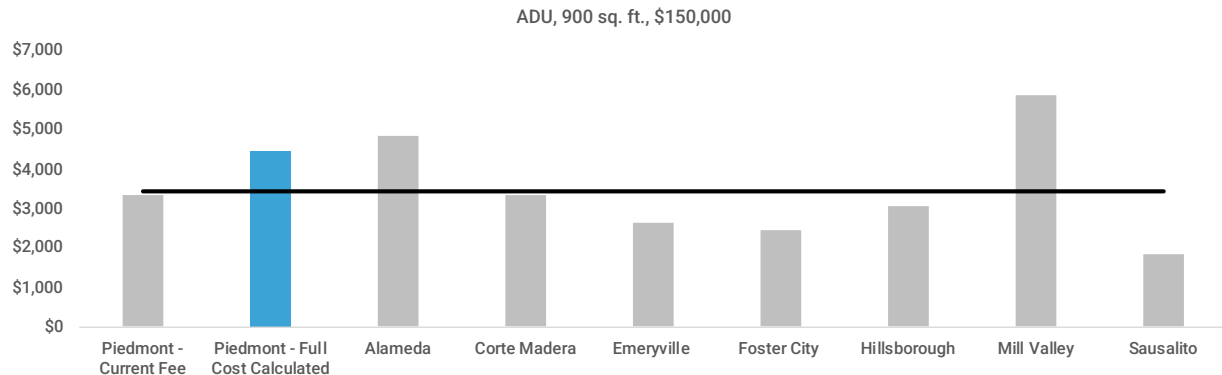
Currently, Building charges a fee of \$7,489 for a new 2,500 square foot single-family home valued at \$450,000. Through this study, the project team calculated the full cost of this service to be \$7,720. The following graph shows how the division’s current fee and full cost compare to the surveyed jurisdictions.



Both Piedmont’s current fee and full cost are lower than the jurisdictional average of \$8,728 and are most comparable to Emeryville’s fee (\$7,920). Mill Valley has the highest fee at \$14,208, while Sausalito has the lowest fee (\$4,579). All jurisdictions base their fees on valuation except for Alameda, which uses square footage, and Corte Madera, which uses the number of stories and type of project. It is worth noting that Corte Madera’s plan check fee is a deposit, which allows additional costs to be recovered as needed.

2 Accessory Dwelling Unit Valued at \$150,000, 900 Sq. Ft.

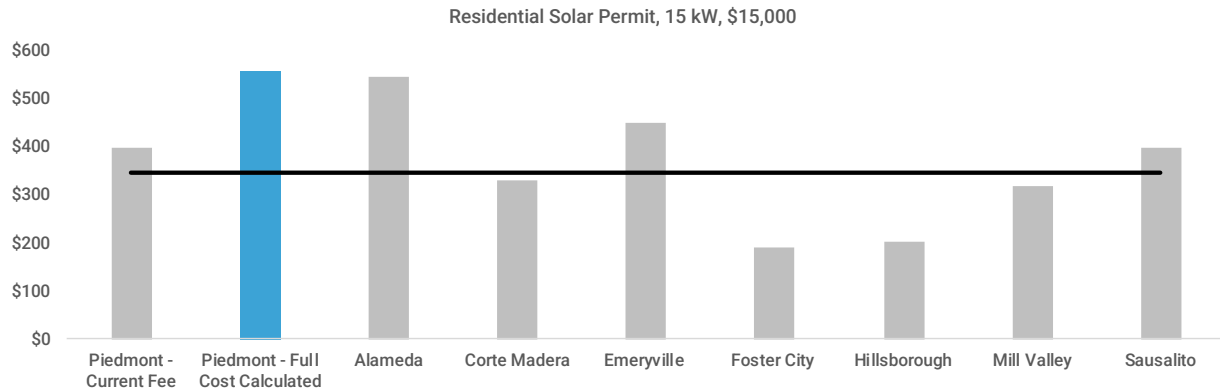
Currently, Building charges a fee of \$3,337 for a 900 square foot accessory dwelling unit (ADU) valued at \$150,000. Through this study, the project team calculated the full cost of providing this service to be \$4,447. The following graph shows how the division's current fee and full cost compare to the surveyed jurisdictions.



The City's current fee falls below the jurisdictional average of \$3,428, while the full cost of providing this service falls above average. Piedmont's current fee is most like Corte Madera's fee (\$3,350); the calculated full cost is most comparable to Alameda (\$4,828). All jurisdictions base their fees on valuation except for Alameda, which uses square footage, and Corte Madera, which uses the number of stories and type of project. It is worth noting that Corte Madera's plan check fee is a deposit, which allows additional costs to be recovered as needed.

3 Residential 15 kW Solar Permit, Valued at \$15,000

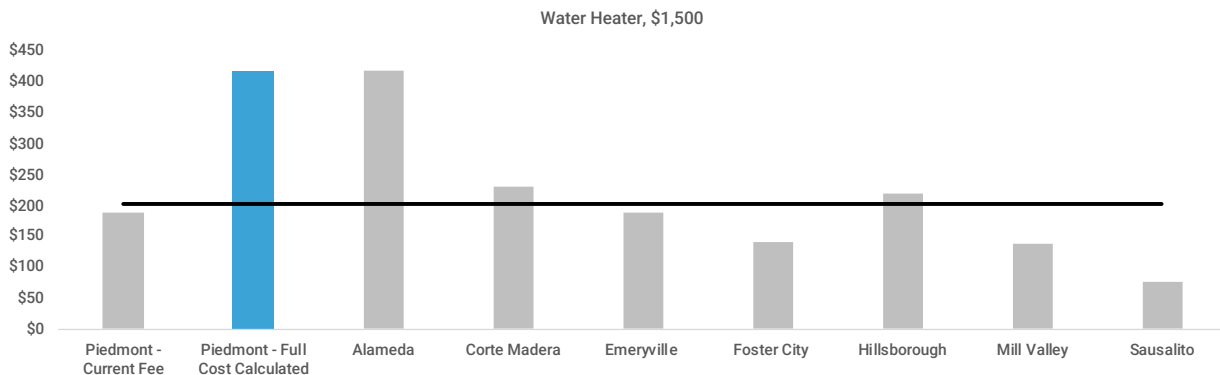
Currently, the Building Division charges a fee of \$396 for 15kW Residential Solar Permit. Through this study, the project team calculated the full cost of this service to be \$559. The following graph shows how the division's current fee and full cost compare to the surveyed jurisdictions.



Both the City's current fee and calculated full cost fall above the jurisdictional average of \$348, although the current fee is very close to the average. The current fee is most comparable to Sausalito's fee (\$398). The calculated full cost of providing this service is most comparable to Alameda's fee of \$544, the highest fee of any surveyed jurisdiction. Notably, Sausalito assesses this fee on valuation, unlike all other surveyed cities.

4 Water Heater Replacement Valued at \$1,500

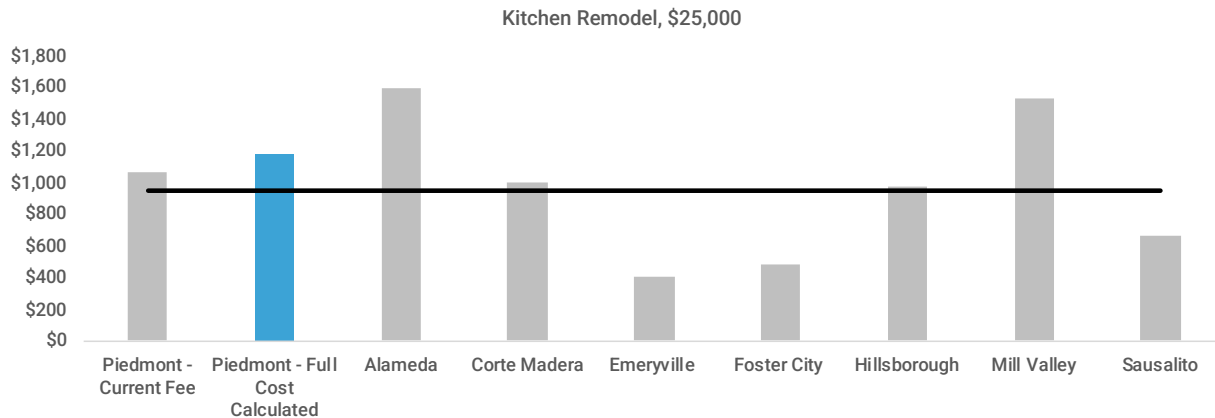
Currently, the Building Division charges a fee of \$187 for a water heater replacement valued at \$1,500. Through this study, the project team calculated the full cost of providing this service to be \$418. The following graph shows how the division's current fee and full cost compare to the surveyed jurisdictions.



Piedmont's current fee is slightly below the jurisdictional average of \$201 and is most like Emeryville's fee (\$188). The City's full cost is above the jurisdictional average and is most comparable to Alameda's fee of \$416. Notably, these fees are often subsidized to encourage compliance.

5 Kitchen Remodel Valued at \$25,000

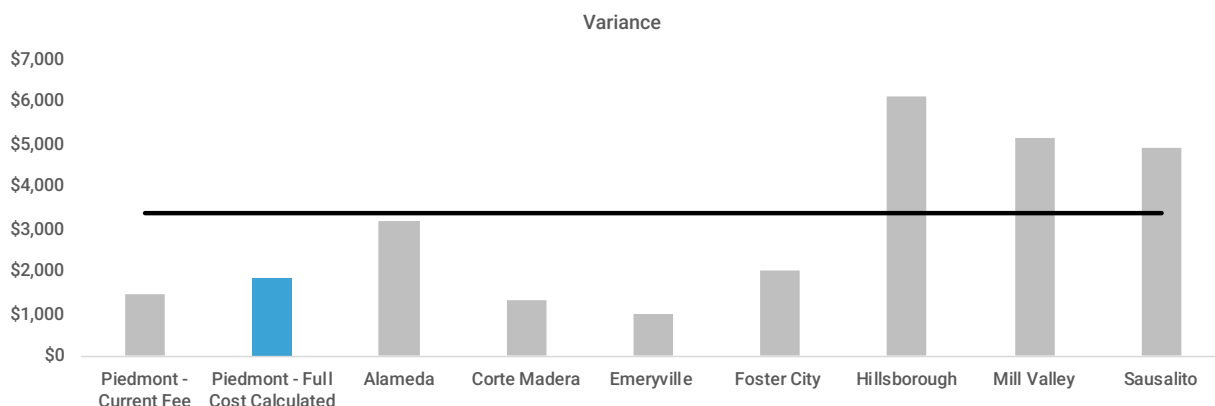
Currently, Building charges a fee of \$1,067 for a kitchen remodel valued at \$25,000. Through this study, the project team calculated the full cost of this service to be \$1,180. The following graph shows how the division's current fee and full cost compare to the surveyed jurisdictions.



Both Piedmont's current fee and full cost are close to but slightly above the jurisdictional average of \$949. Both are most comparable to Corte Madera's fee of \$1,000. Alameda charges the highest fee at \$1,596, while Emeryville charges the lowest fee (\$406). It is important to note that Alameda, Corte Madera, and Foster City charge this fee based on a flat rate, while the other surveyed jurisdictions charge this fee based on valuation.

6 Variance

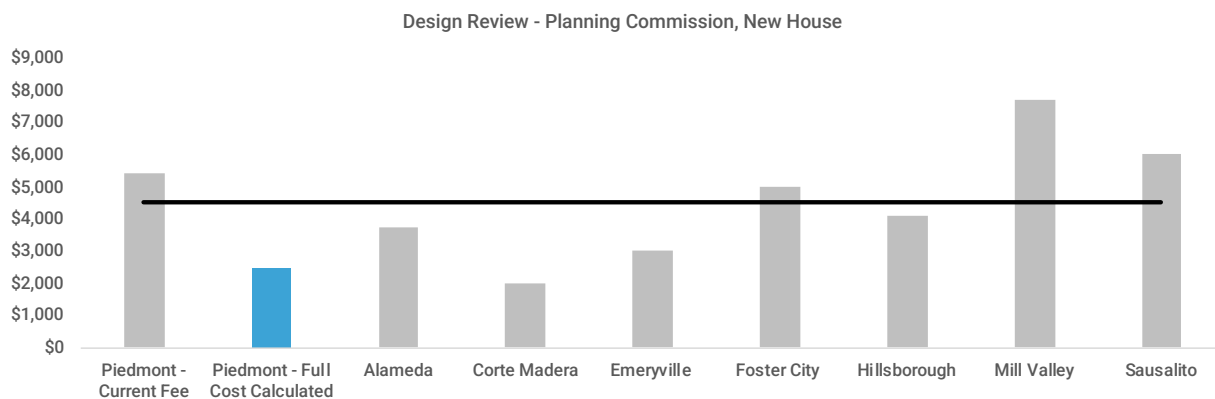
Currently, the Planning Division charges a fee of \$1,435 for a variance without design review. Through this study, the project team calculated the full cost of this service to be \$1,832. The following graph shows how the division's current fee and full cost compare to the surveyed jurisdictions.



Both Piedmont's current fee and full cost are below the jurisdictional average of \$3,383. The City's current fee is most comparable to Corte Madera's fee of \$1,320; the calculated full cost is most like Foster City's fee (\$2,000). It is important to note that Emeryville and Foster City assess this fee as a deposit so additional costs can be recovered if needed.

7 Design Review – Planning Commission Review, New House

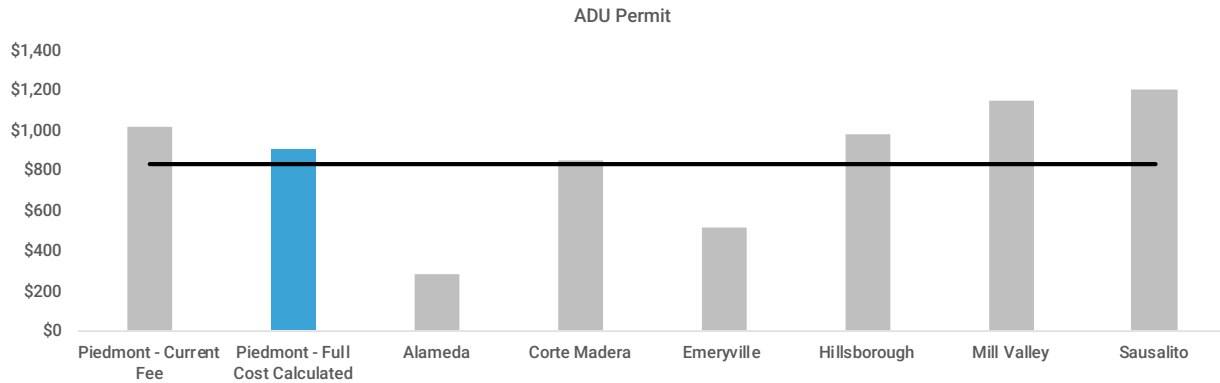
Currently, the Planning Division charges a fee of \$5,388 for Planning Commission design review of a new house. Through this study, the project team calculated the full cost of this service to be \$2,479. The following graph shows how the division's current fee and full cost compare to the surveyed jurisdictions.



Piedmont's current fee is above the jurisdictional average of \$4,500, while the calculated full cost is below average. Planning's current fee is most like Foster City's fee (\$5,000), while the calculated full cost of providing this service falls between Corte Madera's fee of \$2,000 and Emeryville's fee of \$3,000. Corte Madera, Emeryville, Foster City, and Sausalito all assess this fee as a deposit, however.

8 Accessory Dwelling Unit Permit

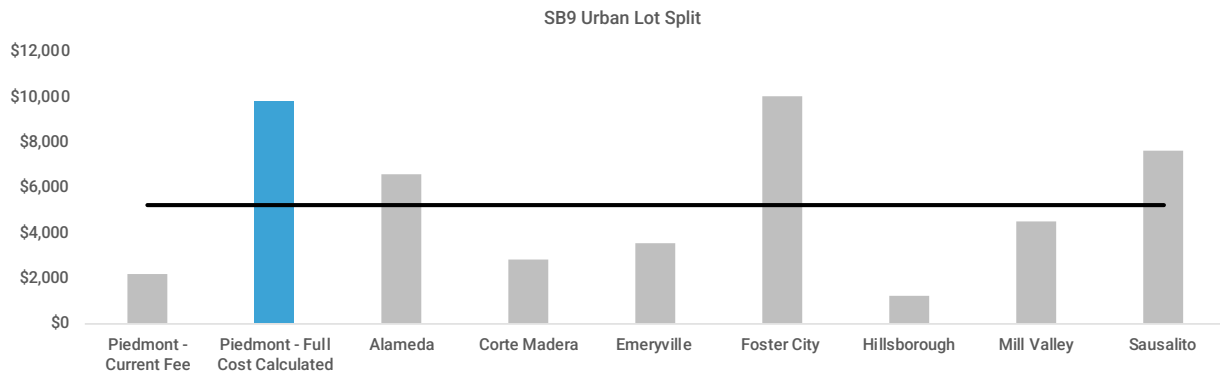
Currently, Planning charges a fee of \$1,015 for an Accessory Dwelling Unit Permit. Through this study, the project team calculated the full cost of providing this service to be \$906. The following graph shows how the division's current fee and full cost compare to the surveyed jurisdictions.



The City's current fee and full cost both fall above the jurisdictional average of \$829 and are most comparable to Hillsborough's fee (\$981). Alameda has the lowest fee at \$283, while Sausalito has the highest fee at \$1,200.

9 SB9 Urban Lot Split

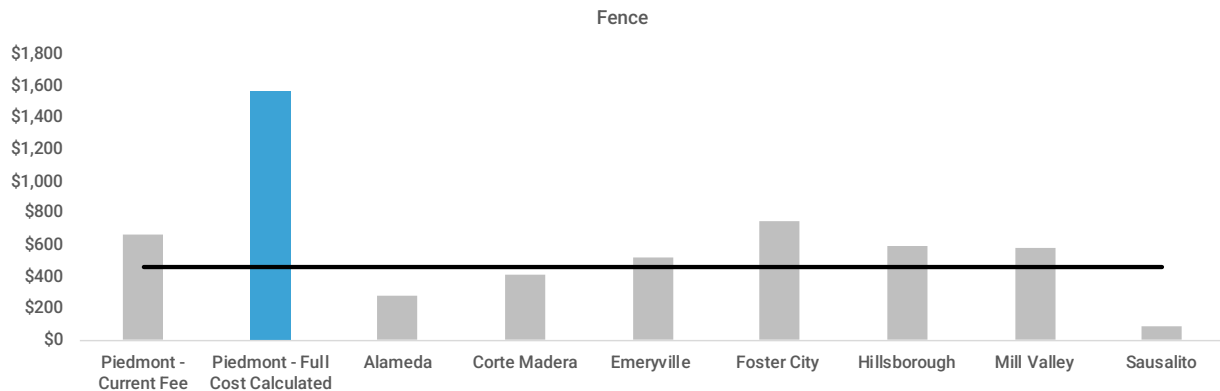
Planning currently charges a fee of \$2,181 for an SB9 Urban Lot Split. Through this study, the project team calculated the full cost of providing this service to be \$9,790. The following graph shows how the division's current fee and full cost compare to the surveyed jurisdictions.



Piedmont's current fee is well below the jurisdictional average of \$5,175 and is most comparable to Corte Madera's fee of \$2,800. The full cost of providing this service is above average, however, and is most aligned with Foster City's fee (\$10,000). Alameda, Corte Madera, Emeryville, and Foster City assess this fee as a deposit. It is also important to note that not all included jurisdictions call out a specific SB9 fee; Corte Madera, Emeryville, Foster City, Mills Valley, and Sausalito utilize other existing fees to process these applications.

10 Fence

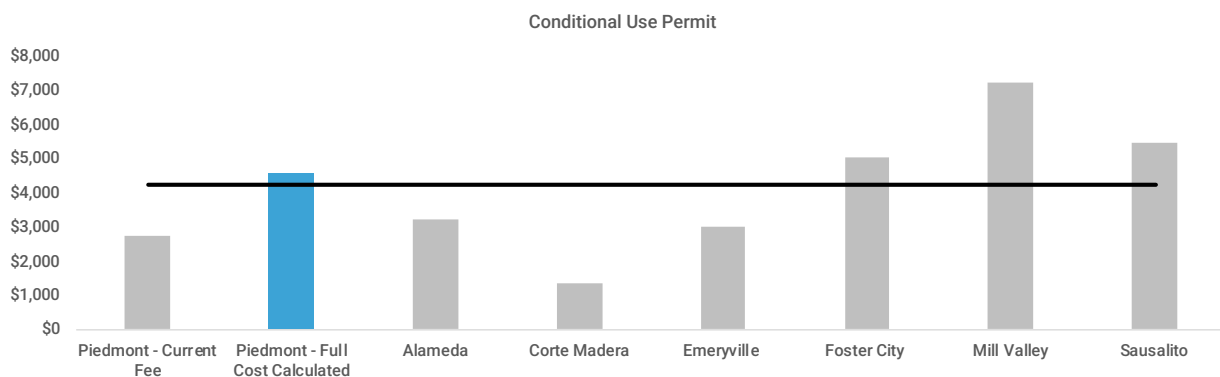
Currently, the Planning Division charges a fee of \$660 to review fences. Through this study, the project team calculated the full cost of providing this service to be \$1,562. The following graph shows how the division’s current fee and full cost compare to the surveyed jurisdictions.



Planning’s current fee and full cost both fall above the jurisdictional average of \$459. The current fee is most comparable to Foster City’s fee of \$750; however, the full cost is significantly higher than the fee in any other jurisdiction. Foster City assesses its fee as a deposit, and only Mill Valley calls out a separate ‘Fence’ fee on its fee schedule. Other jurisdictions combine fence reviews with other similar minor design and architectural reviews into a singular fee.

11 Conditional Use Permit

Currently, the Planning Division charges a fee of \$2,719 for a Conditional Use Permit. Through this study, the project team calculated the full cost of this service to be \$4,515. The following graph shows how the division’s current fee and full cost compare to the surveyed jurisdictions.



The City's current fee falls below the jurisdictional average of \$4,194 and is most comparable to Emeryville's fee of \$3,000. The calculated full cost falls just above average and is most closely aligned with Foster City's fee (\$5,000). Mill Valley has the highest fee at \$7,195. It is important to note that Emeryville and Foster City assess this fee as a deposit.

Summary

Based upon the comparative survey, the City's calculated full cost is generally higher than the City's current fees and the jurisdictional average of comparable cities. The full cost is typically most comparable to Alameda for Building fees and Foster City for Planning fees. Piedmont's current fees generally fall near or below the jurisdictional average. It is important to note that the results of this survey only show the fees adopted by each jurisdiction's City Council, not the cost recovery policy decisions for departments or the jurisdiction. As such, the results of this survey should be used as a secondary decision-making tool and cannot be used to determine if costs are "too high" or "too low," as the basis upon which fees are set in other jurisdictions is variable.

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Fully Burdened Hourly Rate		\$167	\$172	\$206	\$200	\$213	\$182	\$113	\$41	\$142	\$257	\$186	\$187	\$235	\$480
Fee Name	Unit	ASSISTANT PLANNER	ASSOCIATE PLANNER	Inspection (Blended)	BUILDING INSPECTOR	BUILDING OFFICIAL	PERMIT TECHNICIAN	Plan Check (Blended)	PLAN CHECK ENGINEER	Planner (Blended)	PLANNING DIRECTOR	PLANS EXAMINER	SENIOR PLANNER	ENGINEER (Blended)	Attorney (Blended)
BUILDING DIVISION FEES															
Building Permit & Inspection Fees (Based On Valuation)															
\$1 to \$500	Base			0.50			0.25								
\$501 to \$2,000	Base			0.50			0.25								
\$501 to \$2,000	Each Additional \$100			0.05											
\$2,001 to \$25,000	Base			1.25			0.25								
\$2,001 to \$25,000	Each Additional \$1000			0.10			0.01								
\$25,001 to \$50,000	Base			3.50			0.50								
\$25,001 to \$50,000	Each Additional \$1000			0.14		0.02									
\$50,001 to \$100,000	Base			7.00		0.50	0.50								
\$50,001 to \$100,000	Each Additional \$1000		0.02	0.08		0.01	0.01								
\$100,001 to \$500,000	Base		1.00	11.00		1.00	0.75								
\$100,001 to \$500,000	Each Additional \$1000			0.05											
\$500,001 to \$1,000,000	Base		1.00	30.00		1.00	0.75								
\$500,001 to \$1,000,000	Each Additional \$1000			0.08		0.00									
\$1,000,000 to \$10,000,000	Base		1.00	70.00		2.00	0.75								
\$1,000,000 to \$10,000,000	Each Additional \$1000		0.00	0.03		0.00									
\$10,000,000 to \$25,000,000	Base		2.00	300.00		3.00	0.75								
\$10,000,000 to \$25,000,000	Each Additional \$1000			0.02											
Over \$25,000,000	Base		2.00	600.00		3.00	0.75								
Over \$25,000,000	Each Additional \$1000			0.01											
Plan Check Fee (Based On Valuation)															
\$1 to \$500	Base						0.25	0.25							
\$501 to \$2,000	Base						0.25	0.25							
\$501 to \$2,000	Each Additional \$100					0.02		0.05							
\$2,001 to \$25,000	Base					0.25	0.25	1.00							
\$2,001 to \$25,000	Each Additional \$1000					-		0.04							
\$25,001 to \$50,000	Base	0.25				0.25	0.25	2.00							
\$25,001 to \$50,000	Each Additional \$1000	0.01				-		0.12							
\$50,001 to \$100,000	Base	0.50				0.25	0.25	5.00							
\$50,001 to \$100,000	Each Additional \$1000	0.01				0.01		0.04							
\$100,001 to \$500,000	Base	1.00				0.50	0.25	7.00							
\$100,001 to \$500,000	Each Additional \$1000					0.00		0.01							
\$500,001 to \$1,000,000	Base	1.00				1.00	0.25	10.00							
\$500,001 to \$1,000,000	Each Additional \$1000					0.00		0.01							
\$1,000,000 to \$10,000,000	Base	1.00				2.00	0.25	16.00							
\$1,000,000 to \$10,000,000	Each Additional \$1000	0.00						0.00							
\$10,000,000 to \$25,000,000	Base	2.00				2.00	0.25	25.00							
\$10,000,000 to \$25,000,000	Each Additional \$1000							0.00							
Over \$25,000,000	Base	2.00				2.00	0.25	40.00							
Over \$25,000,000	Each Additional \$1000							0.00							
Records Management Fee															
For Permits and Inspections	% of Permit and Inspection Fee														
For Permit Renewals	% of Permit Renewal Fee														
Other Fees & Permits															
Change in Approved Building Permit (CAP)	Deposit			0.75		0.50	0.50	1.50							
Solar Energy Related Permits															
Residential	Deposit			1.50			0.75	1.00							
Commercial	Deposit			3.50			0.75	2.00							
SolarAPP+	Deposit			1.00			0.75								
Change of Address Fee	Deposit						1.50								

		Fully Burdened Hourly Rate	\$167	\$172	\$206	\$200	\$213	\$182	\$113	\$41	\$142	\$257	\$186	\$187	\$235	\$480
Fee Name	Unit	ASSISTANT PLANNER	ASSOCIATE PLANNER	Inspection (Blended)	BUILDING INSPECTOR	BUILDING OFFICIAL	PERMIT TECHNICIAN	Plan Check (Blended)	PLAN CHECK ENGINEER	Planner (Blended)	PLANNING DIRECTOR	PLANS EXAMINER	SENIOR PLANNER	ENGINEER (Blended)	Attorney (Blended)	
Drop Box	Deposit						1.00									
Garage Sale Permit	Per Sale						0.50									
Hourly Rates:																
Building Official	Per Hour					1.00										
Planning & Building Director	Per Hour										1.00					
Plans Examiner	Per Hour											1.00				
Senior Planner	Per Hour												1.00			
Associate Planner	Per Hour		1.00													
Housing Records Search	Deposit						1.00									
Permit to Legalize Unpermitted ADU or JADU	Each			4.50				2.75		2.75						
New Sewer Connection	Deposit			1.00			0.50									
Penalty Fee - Starting Construction without Permit	% of Permit / Inspection Fee															
Planning Commission Mailing List	Flat															
Residential Rental Safety Inspection	Per Inspection			1.50			0.50									
Title 24 Plan Check																
Prescriptive Compliance	Deposit							1.00								
No increase in conditioned floor area	Deposit							1.00								
Addition area only	Deposit							1.50								
Addition plus existing area combined	Deposit							3.00								
New home or structure	Deposit							5.00								
Stand Alone / Over the Counter Permits																
Re-Roof	Flat			1.50		0.25	0.25	0.25								
Stand Alone Trade (i.e., Water Heater, plumbing, mechanical, elec	Each			1.50		0.25	0.25	0.25								
PLANNING DIVISION FEES																
Design Review Permit – Expedited Review																
General Applications	Per Review							0.50		3.00						
Windows & Doors	Per Review							0.50		3.00						
Changes to Previously Approved Permits	Per Review							0.50		3.50						
Design Review Permit - Director Review																
Construction Up to \$50,000	Per Review							0.50		4.50						
Construction 50,001 - \$200,000	Per Review							0.50		6.00						
Design Review Permit - Planning Commission Review																
Construction \$200,001 or more	Per Review							0.50		9.00	2.50					
New House	Per Review							0.50		10.00	3.00			1.00		
Sequential DRP-DRs referred to PC	Surcharge							0.50		3.00	2.50					
Variance																
One Variance with Design Review	Per Variance							0.50		1.00	0.50					
One Variance without Design Review	Per Variance							0.50		8.00	2.50					
Each Additional Variance	Per Variance							0.50		0.50	0.25					
Conditional Use Permit																
Conditional Use Permit	Per Permit							0.50		10.00	2.50					
Emergency Shelters	Per Permit							0.50		4.50	1.00					
Other Review																
Additional Bedroom Permit	Per Permit							0.50		3.00						
Administrative Extension	Per Extension									0.33	0.08					
Appeal	Per Appeal							0.50		15.00	5.00				5.00	
Accessory Dwelling Unit Permit (with or without Exception)	Per Permit							0.50		6.00						
AB 1332 Pre-Approved ADU Plans	Per Permit							0.50		5.00	1.00				2.00	
Modification to Approved ADU Permit	Per Change							0.50		3.50						
Fence, Retaining Wall or Site Feature Design Review Permit	Per Permit							0.50		7.00	2.00					

		Fully Burdened Hourly Rate	\$167	\$172	\$206	\$200	\$213	\$182	\$113	\$41	\$142	\$257	\$186	\$187	\$235	\$480
Fee Name	Unit	ASSISTANT PLANNER	ASSOCIATE PLANNER	Inspection (Blended)	BUILDING INSPECTOR	BUILDING OFFICIAL	PERMIT TECHNICIAN	Plan Check (Blended)	PLAN CHECK ENGINEER	Planner (Blended)	PLANNING DIRECTOR	PLANS EXAMINER	SENIOR PLANNER	ENGINEER (Blended)	Attorney (Blended)	
SB 684 Housing Subdivision	Deposit							3.00		20.00	2.50				5.00	10.00
SB9 Housing Development	Per Permit							3.00		20.00	2.50				5.00	10.00
Modification to Approved SB 9 Permit	Per Permit							1.00		10.00					5.00	10.00
Sign Design Review Permit	Per Permit									7.00	2.00					
Short-Term Rental Permit	Per Permit							0.50		2.00						
AB 939 Information Report	Per Report									1.50						
Jurisdictional Determination	Per application									10.00	3.00				3.00	5.00
Zoning Code Amendment	Per Amendment									30.00	5.00					10.00
Subdivision/Map Act																
Parcel Merger deposit/cost to process	Deposit									3.50	0.50				5.00	
Lot Line Adjustment	Deposit									3.50	0.50				5.00	
Parcel Map	Deposit									15.00	5.00				5.00	
Tentative Map	Deposit									15.00	5.00				5.00	
SB 684 Subdivision	per parcel							0.50		25.00	8.00				5.00	5.00
SB 9 Urban Lot Split	Per Permit							0.50		15.00	3.00				5.00	5.00
California Environmental Quality Act (CEQA)																
Initial Study/Negative Declaration	Deposit									4.00	8.00					
Environmental Impact Report (EIR)	Deposit									15.00	5.00					
CA Dept. of Fish & Wildlife Fee	Per Permit									1.00						
Filming Permit																
Still Photography	Per Permit									2.00						
Commercial Video	Per Permit									2.00						
Motion Picture Video	Per Permit									2.00						
Wireless Communication Facility(WCF) Permit																
WCF Permit for small cell facilities located in the City right-of-way	Per Site							0.50		25.00	5.00					10.00
WCF Permit for all facilities other than small cell in City right-of-way	Deposit							0.50		10.00	3.00					10.00
WCF Independent Technical Review for all facilities other than sma	Deposit							0.50		4.00						
WCF Macro Facilities in non ROW, Review by Planning Commission	Deposit							0.50		25.00	5.00					10.00
WCF Facilities in ROW/non ROW Review by Director	Deposit							0.50		20.00	3.00					5.00
WCF Facilities in non ROW	Deposit							0.50		20.00	3.00					10.00
Other Fees																
Reasonable Accommodation	Each		\$0					0.50		3.00						
Zoning Compliance Letter	Per Letter		\$283							2.00						